

August 3, 2009

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-4590

Attn: Ms. Denise Ratliff
Enforcement Specialist

Dear Ms. Ratliff:

Enclosed please find Gayston's answers to the CERCLA 104(e) requests that Gayston received on June 3, 2009. First, I would like to bring to your attention the fact that your requests seek information from "Respondent," and that Definition 4 of Enclosure 4 defines "Respondent" as "DAP or any of its predecessors in interest, subsidiaries, divisions or associated entities." Similarly, Definition 5 of Enclosure 4 provides that "you" and "DAP" are used interchangeably. Gayston is not affiliated with DAP in any manner, and therefore, objects to responding to your requests because the requests themselves are not directed to Gayston.

In addition, Gayston objects to this inquiry because it does not meet the guidelines established in the Morton Salt and Texaco cases. While searching the internet, I came across a U.S. EPA Memorandum dated August 25, 1988, which discusses these cases. The Morton Salt case states that a governmental investigation may not be so "sweeping" and "unrelated to the matter under inquiry" that it exceeds the investigatory power. The Texaco case states that the scope of an investigation should not be unduly burdensome or unreasonably broad. In light of these cases, and for the reasons discussed below, Gayston believes that it is inappropriate to include Gayston in your investigation of the Behr Dayton Thermal Systems VOC Plume Site.

Gayston has not operated a manufacturing facility in Dayton since April 1987. In April 1987, Gayston moved to its current facility located at 200 S. Pioneer Blvd. in Springboro, Ohio. Prior to that time, Gayston's facility was located at 55 Janney Road in Dayton, Ohio. In the early 1990's, after Gayston ceased operations at the Janney Road facility, the City of Dayton raised concerns relative to its drinking water and, in

concert with the Ohio EPA, conducted groundwater monitoring to investigate potential contamination issues.

As part of the resolution of these issues, Gayston entered into a Consent Order with Ohio EPA in 1993. A copy of the Order is attached as **Exhibit A**. In this Order, Gayston, the City of Dayton, and the Ohio EPA concluded that the groundwater gradients ran from our prior facility to the north, northwest and northeast. Since the onset of the investigation in the early 1990's, Gayston has undertaken extensive efforts to remediate and monitor contaminants found in the groundwater underlying its former facility.

The 55 Janney Road property is about $\frac{3}{4}$ of a mile north of the Chrysler/Behr facility. According to information contained on the U.S. EPA's own website, the Behr Dayton Thermal groundwater plume extends southward from the southernmost portion of the Chrysler/Behr facility. Thus, in order to contribute to the Plume in question, any groundwater contaminants allegedly released by Gayston would have to travel south to reach and become part of the Plume. However, according to the U.S. EPA's own groundwater studies, the groundwater underlying Gayston's property at 55 Janney Road flows to the north, northeast and northwest. See **Exhibits B and C**, attached. The northern direction of groundwater flow is influenced by the Miami South Well Field, which is located approximately .3 miles north of the 55 Janney Road property.

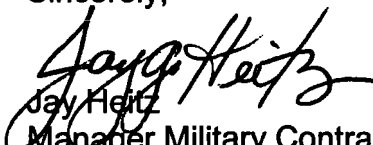
Further, the City of Dayton has periodically conducted groundwater sampling in the area of 55 Janney Road since the early 1990s. The results of this sampling are attached as **Exhibit D**. These results confirm that the direction of groundwater flow underlying the City wells is "variable to the north." In fact, the contaminant levels in several of the wells have increased significantly since the 1990's. Because Gayston has not performed any operations at the Janney Rd. facility since 1987, these increased contaminant levels are clearly stemming from another contaminant source south of the 55 Janney Road property, and cannot be attributed to Gayston. Consequently, Gayston fails to see how it is possible for the U.S. EPA to believe that anything Gayston might have put in the soil over 20 years ago could have any bearing upon your investigation of the Behr Dayton Thermal Systems VOC Plume Site.

Finally, records concerning our activities at Janney Road prior to our move to Springboro are in storage and cannot be retrieved in the time allotted for response to the 104(e) request. While Gayston appreciates that the U.S. EPA has provided a 30-day extension of time to respond to your requests, unfortunately, Gayston has found that the 30-day extension is still insufficient. The information you seek would require Gayston to assemble and review 20-plus years of records, many of which are in storage and are too voluminous to retrieve, analyze and copy in the time allotted with currently available manpower. Additionally, the retrieval of these records would place a significant financial impact on the company, which appears not warranted based upon the information concerning the underground water gradients at the Janney Road location. In light of the same, Gayston would be willing to discuss making these records

available to the U.S. EPA for inspection and copying at a time that is convenient to both parties.

In any event, Gayston has made a good faith attempt to answer the requests for information. With the attached 104(e) responses and corresponding documentation, I have enclosed the documents referenced above, and a 1995 report prepared by The Payne Firm. We offer these documents to better enable the U.S. EPA to determine that the 55 Janney Road property should not be included in your investigation of the Behr Dayton Thermal Systems VOC Plume Site. **Gayston respectfully requests that the financial documents it has submitted in response to requests 9 and 10 be treated as confidential.** Please consider the enclosed information and contact me with any questions or concerns you may have. I will assume that you find this response satisfactory, unless I hear otherwise.

Sincerely,


Jay Heitz
Manager Military Contracts

Gayston Corporation
August 3, 2009
Enclosure 2
EPA 104(e) Responses

1. Jay Heitz prepared the response. Jerry Longo, Vice President Finance, gathered the information requested in questions 9, 10 and 13. Other participants have either been gone from the company for numerous years or have passed away.
2. Ohio EPA Findings and Orders; aerial photo of the "site"; aerial photo of location of City of Dayton monitoring wells; aerial photo showing 55 Janney Road and Miami Well Field which dictates the direction of water flow to the north and northeast; City of Dayton monitoring well test results; copy of NPDES permit for 55 Janney Road; Summary of Ohio EPA Generator Reports; map showing property boundaries of 55 Janney Road; map detailing location of City of Dayton and Gayston Corporation monitoring wells with average test results for the presence of PCE and TCE by year; proposal from The Payne Firm which summarizes the activities that have taken place at 55 Janney Road with a map detailing monitoring well locations; all drilling logs in the possession of Gayston.
3. None known. We did have consultants help us prepare investigation approaches and remediation plans, but other than that, we know of no other persons who could provide more detailed information.
4. OHD0042778156. Air permit ID – 1483140304; NPDES Permit No. 1IN00267*AD.
5. None known
6. Robert Alexander (deceased), Susan Steele (employed by Gayston), Donald Neff (no longer with Gayston), Willard Dewey (no longer with Gayston), Donald Penny (no longer with Gayston), Larry Ray (no longer with Gayston), Jay Heitz, employed by Gayston), Harry Hoey (no longer with Gayston), Sandra Wise (no longer with Gayston), Gerald Feters (no longer with Gayston).
7. Gayston manufactured metal parts and solvents were used as metal cleaning and degreasing agents. As the solutions degraded, they were disposed of in a proper manner.
 - a. The chemicals were 1,1,1 trichloroethane and tetrachloroethene. They were both in a liquid state.
 - b. The chemicals were purchased from and delivered by Gem City Chemicals.
 - c. They were used in vapor degreasers. They were purchased in 55 gallon steel drums. They were stored on asphalt or concrete pads. They were treated off site by either Clark Oil Products or Environmental Processing Services from sometime in 1980 to April 1987 when we left the building.
 - d. The vapor degreaser was in use from approximately 1980 to 1987. Chemicals were purchased and disposed of during that time frame. Disposal quantities have been taken from the appropriate Ohio EPA Generator Reports: (See attached Excel spread sheet).
 - e. See c above
 - f. See d. above

8. None were found. We have been advised by the insurer that time for filing a claim has long since passed.
9. Enclosed
10.
 - a. Enclosed
 - b. Enclosed
 - c. Ecclsoed
 - d. Enclosed
11. Robert Alexander(deceased).
 - a. Environmental Processing Services. Clark Oil.
 - b. Not known
 - c. Not known
 - d. Not known
 - e. It was to be properly treated and properly disposed of
 - f. To our knowledge, all wastes were properly treated and disposed of
 - g. See f above
 - h. Not known
 - i. Enclosed
 - j. Jay Heitz – Very limited knowledge, most of this activity was supervised by Robert Alexander.
12. Gayston Corporation manufactured metal parts and produced assemblies such as tire pressure gages, static dischargers, dial ignitions, hydraulic support equipment for the Department of Defense and commercial customers. Certain chemicals were purchased to support these activities. See Section 7 above.
13. The site was opened in 1963 and closed for manufacturing purposes in 1987.
LAT: 39 47' 30". Long. 84 10' 00"
14.
 - a. Enclosed
 - b. Location of some water related utilities can be found on enclosed maps
 - c. There was the building which housed offices and manufacturing space. There were no underground or above ground tanks.
 - d. See enclosed maps and drilling logs (Identified at 21A)
 - e. See 14 b above
 - f. Additional office space was added in 1972 or 1973. Warehouse space was connected to the original building in 1983.
 - g. Representative maps are enclosed
15. There was one eight cubic yard front end loading container for trash. In about 1979 or 1980, a 40 cubic yard roll off was put on the property to handle a significant increase in cardboard trash due to an increase in business. There were no waste piles, landfills, surface impoundments, waste lagoons, etc. on the property.
 - a. Our investigation to answer these questions did not reveal a map showing the location of the waste container.
 - b. Metal containers
 - c. See 15 above
 - d. To collect office and factory trash, mostly cardboard.
 - e. N/A

- f. N/A
- g. N/A
- 16. None
- 17. None
- 18. Enclosed
- 19. Not to my knowledge
- 20. Not to my knowledge
- 21. An investigation was conducted by Gayston with the help of environmental consultants. Sample reports are enclosed. Additional reports are available at our current address.
 - a. See 21 above
 - b. See 21 above
 - c. See 21 above
 - d. See 21 above
- 22. See 21 above – Activities began in 1991. For additional information please see 21 above.
- 23. No “leaks, spills or releases into the environment of any hazardous substances” is known.
- 24. Not to our knowledge
- 25. Not to our knowledge
- 26. Soil was excavated when the original factory and warehouse areas were connected.
 - a. Not known
 - b. Behind original factory building
 - c. Not known, but not stored at the site
 - d. We believe 1983
 - e. The contractor, Turnkey Systems
 - f. To pour a concrete floor to connect the two buildings
 - g. Not known
 - h. Not known
 - i. Not known other than Turnkey Systems
- 27. Water has been treated at the site from a well operated by the City of Dayton. The water is pumped to 55 Janney Road where it is treated by air stripping and put down the storm sewer in accordance with NPDES permit number 1IN00267*AD. This pump and treat method has been ongoing since about August of 1996 in complete cooperation with the City of Dayton and knowledge of Ohio EPA. (Small amounts of water collected during the investigation were placed in the City of Dayton sanitary sewer system with their knowledge and permission).
- 28. Not known other than work performed by The Payne Firm which is summarized in the attached report.

EXHIBIT A

Issue Date AUG 17 1993
Effective Date AUG 17 1993

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

GAYSTON CORPORATION
55 Janney Road
Dayton, Ohio 45404

Respondent

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:
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DIRECTOR'S FINAL FINDINGS
AND ORDERS

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PREAMBLE

It is hereby agreed by and among the Parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Sections 3734.13, 3734.20, and 3745.01 of the Ohio Revised Code ("ORC").

II. PARTIES

These Orders shall apply to and be binding upon the Respondent, its assigns and successors.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Ohio EPA has determined that all findings of fact necessary for the issuance of these Orders, pursuant to ORC Sections 3734.13 and 3734.20, have been made and are outlined below. The Ohio EPA has determined the following:

- A. The Respondent is the owner of the property located at 55 Janney Road, Dayton, Montgomery County, Ohio (hereinafter referred to as the "Site"). Between 1962 and April, 1987, the Respondent operated a precision metal parts manufacturing and assembly plant at the Site.

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By: Mary Canon Date 8-17-93

- B. In 1979, the Respondent began using and storing tetrachloroethene (PCE) and 1,1,1-trichloroethane (1,1,1-TCA) at the Site to clean and degrease metal parts.
- C. In December 1982, the Respondent constructed an addition to the machine shop building located at the Site. Prior to construction of the addition, the area was used as a drum storage area where spent PCE and 1,1,1-TCA was stored.
- D. In January, 1984, Ohio EPA inspected the manufacturing and assembly plant located at the Site. Ohio EPA inspectors noted the lack of weekly inspections of the hazardous waste drum storage area at the Site and the failure to maintain required documentation regarding the storage of such wastes. Ohio EPA inspectors also noted that wastes stored in the drum storage area consisted of PCE and 1,1,1-TCA.
- E. The site of the former manufacturing and assembly plant located at the Site is situated approximately seventeen hundred feet (1700') south of the City of Dayton's South Miami wellfield. The Site directly overlies the Miami Valley Buried Aquifer, a U.S. EPA designated sole source aquifer. The vacated plant also lies within City of Dayton's Wellhead Protection Area.
- F. The flow of local ground water beneath the Site has been calculated by the Ohio EPA as generally flowing to the north-northeast, in the direction of the City of Dayton's South Miami Wellfield.
- G. Between April and July 1991, the City of Dayton installed seven (7) ground water monitoring wells (numbers: D1, D3, D10, D11, D12, D13 and D14) downgradient of the Site.

Analytical results of samples collected by the City of Dayton between April and July 1991 reveal the presence of the following (* indicates concentrations above Safe Drinking Water Standards or Maximum Containment Levels ("MCL's") ("ppb" designates parts per billion):

tetrachloroethene 0 up to 2,080 ppb*

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trichloroethene 5.7 up to 1,120 ppb*
 cis-1,2-dichloroethene 2.9 up to 470 ppb*
 1,1,1-trichloroethane 61.5 up to 930 ppb*
 1,1-dichloroethane 1.5 up to 50.4 ppb

Analytical results from a ground water sample collected from monitoring well number 14 in July 1991 by the City of Dayton reveal the presence of the following (* indicates concentrations above the Safe Drinking Water Standards or MCL's):

tetrachloroethene 2,080 ppb*
 trichloroethene 1,120 ppb*
 cis-1,2-dichloroethene 31 ppb
 1,1-dichloroethene 9.8 ppb
 1,1,1-trichloroethane 930 ppb*
 1,1-dichloroethane 14.4 ppb

- H. The City of Dayton installed two additional ground water monitoring wells (numbers 15 and 16) approximately 50 feet upgradient of the Site in August, 1991. Analytical results of ground water samples collected from these wells by the City of Dayton in August 1991 reveal the presence of the following (* indicates concentrations above Safe Drinking Water Standards or MCL's):

trichloroethene ND up to 25.9 ppb*
 cis-1,2-dichloroethene 3.5 up to 4.3 ppb
 1,1-dichloroethene 1.6 up to 1.7 ppb
 1,1,1-trichloroethane 30.5 up to 65.9 ppb
 1,1-dichloroethane 21.7 up to 23.3 ppb

- I. In July 1991, the Respondent installed two ground water monitoring wells (numbers 1 and 2) on the downgradient portion of the Site. Analytical results of ground water samples collected from these wells by the Respondent reveal the presence of the following (*indicates concentrations above Safe Drinking Water Standards or MCL's):

tetrachloroethene 4.2 up to 240 ppb*
 trichloroethene 11 up to 400 ppb*
 1,1,1-trichloroethane 35 up to 400 ppb*
 1,1-dichloroethane 7.7 up to 32 ppb

- J. In August 1991, the Respondent installed an additional ground water monitoring well (number 3) approximately five feet (5') inside of the upgradient boundary

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of the Site. Analytical results of a ground water sample collected by the Respondent from that well reveal the presence of the following:

1,1,1-trichloroethane	21	ppb
1,1-dichloroethane	13	ppb
chloroethane	10	ppb

- K. The Respondent installed an additional ground water monitoring well (number 4) on the downgradient portion of their Site in June, 1992. Analytical results of a ground water sample obtained from that well on June 19, 1992, revealed the presence of the following compounds (* indicates concentrations above MCL's):

tetrachloroethene	110	ppb*
trichloroethene	150	ppb*
1,1,1-trichloroethane	190	ppb

- L. In October 1991, the Respondent made a soil boring (soil boring A) through the concrete floor of the warehouse addition at the plant constructed on the Site in March, 1980. Analytical results of five soil samples collected between seven and one half feet (7.5') and forty feet (40') below ground surface ("bgs") by Ohio EPA and the Respondent reveal the presence of the following:

tetrachloroethene	4,200	up to 15,000	ppb
trichloroethene	ND	up to 160	ppb
1,1,1-trichloroethane	ND	up to 28	ppb

- M. In October 1991, the Respondent made a soil boring (soil boring B) through the asphalt parking lot located at the Site. Analytical results of four soil samples collected between seven feet (7') and forty feet (40') bgs. by Ohio EPA and the Respondent reveal the presence of the following:

tetrachloroethene	830	up to 2,700	ppb
trichloroethene	21	up to 1,400	ppb
1,1,1-trichloroethane	19	up to 180	ppb

- N. In November 1991, the Respondent conducted a soil boring (soil boring C) through the floor of the machine shop addition at the plant. Five soil samples were collected by the Respondent at depths between five feet (5') and forty feet (40') bgs. Analytical results from those samples reveal the presence of

the following:

tetrachloroethene	260	up to 5,200 ppb
trichloroethene	ND	up to 5,700 ppb
1,1,1-trichloroethane	22	up to 260 ppb

0. The Ohio EPA has determined that PCE, TCE, cis-1,2-DCE and 1,1,1-TCA, cis-1,2-dichloroethene, 1,1-dichloroethane, trichloroethene and chloroethane became "industrial wastes" and/or other wastes as defined in ORC 6111.01(C) and (D) and/or "hazardous wastes" as defined in ORC 3734.01(J) and/or hazardous substances when released into the environment at the Site. For purposes of these Orders, "hazardous substances" shall have the same meaning as it is defined in Section 101(14) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) as amended, 42 USC 9601 et. seq.
- P. The discharge, deposit, injection, dumping, leaking, spilling, emitting, or placing of PCE and 1,1,1-TCA, cis-1,2-dichloroethene, 1,1-dichloroethane, trichloroethene and chloroethane into or onto the soil, groundwater, and surface water at the Site constitutes "disposal" of hazardous waste and/or solid waste as defined in ORC 3734.01(F).
- Q. The Site in and around 55 Janney Road, Dayton, Ohio is a "facility" as that term is defined in ORC Section 3734.01(N).
- R. The migration and threatened migration of these industrial wastes, other wastes, and/or hazardous wastes and substances into the soil, ground water, and/or surface water at the Site, constitutes "a release or threat of a release" as that term is defined in Section 101(22) of CERCLA, and is causing or threatening to cause an unpermitted discharge of industrial waste, other wastes, and/or hazardous wastes and substances into "waters of the state", as that term is defined in ORC Section 6111.01(H).
- S. The Respondent disposed of hazardous wastes at the Site, as the term "disposal" is defined in ORC 3734.01(F) and used in ORC 3734.20, and has placed or caused to be placed industrial wastes or other wastes in a location causing, or

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threatening to cause pollution to waters of this state, as the term "industrial wastes" is defined in ORC 6111.01(C) and as the term "other wastes" is defined in ORC 6111.01(D).

The release or disposal of industrial waste and/or hazardous waste at the Site constitutes a substantial threat to public health or safety or is causing or contributing to or threatening to cause or contribute to air, water pollution or soil contamination, pursuant to ORC 3734.20(B).

- T. The Respondent is an "owner" or "operator," as those terms are used within Section 107(a) of CERCLA, of a "facility", as that term is defined in Section 101(9) of CERCLA.
- U. The Respondent is a potentially "responsible person" as that term is used in Section 107 of CERCLA. The Respondent is a "person" as defined in Section 101(21) of CERCLA, and as defined in ORC Sections 3734.01(G) and 6111.01(I).
- V. Based upon information available to the Director as set forth in these Findings of Fact, the Director has determined that the work required by these Orders, set forth below, is in the nature of interim measures only, designed to contain, abate, mitigate and control contamination.
- W. The Director has given consideration to the evidence related to documented activities which have occurred and/or will occur at the Site. Based upon the facts as presented, the Director believes that issuance of these Orders is furthering the intent of the General Assembly, that OEPA will prevent, control, or abate pollution of the environment for the protection and preservation of the health, safety, welfare, and property of the people of the State.
- X. The Director has determined the Findings of Fact and Conclusions of Law contained within these Orders. The Respondent does not admit to the Findings of Fact and Conclusions of Law made by the Director. However, the Respondent does otherwise agree to the Director's authority to issue these Orders and agrees to comply with the terms and conditions contained herein.

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IV. WORK TO BE PERFORMED

A. All work to be performed by the Respondent pursuant to these Orders shall be under the direction and supervision of a qualified environmental engineer, geologist, or other appropriate professional person with expertise in hazardous waste site investigation and removal. Prior to the initiation of site work, the Respondent shall notify Ohio EPA in writing regarding the name, title, and qualifications of such engineer, geologist, or other appropriate professional person and of any contractors and/or subcontractors to be used in carrying out the terms of these Orders.

B. Attachment A to these Orders contains the Statement of Work (SOW) for implementation of work at the Site. Within forty-five (45) days of the effective date of these Orders, the Respondent shall submit to the Ohio EPA a draft Workplan for the implementation of the work at the Site. This Workplan and any required documents shall be developed in conformance with these Orders, the SOW, State law including ORC Chapters 3734. and 6111. and the regulations promulgated thereunder, and consistent with the National Contingency Plan (NCP) 40 CFR Part 300. The phrase "required documents" includes, but is not limited to any plans or reports that are necessary for performing the work required by these Orders. The SOW is not specific to the Site and is to be used as an outline in developing the site specific Workplan. In the Workplan, the Respondent shall present the justification for the proposed omission of any tasks of the SOW because of work that has already been performed or work that is not appropriate to the Site. Any omission proposed by the Respondent is subject to review and approval by the Ohio EPA.

Upon written approval of the workplan by Ohio EPA, the Respondent shall implement the work detailed in the Workplan in accordance with the schedule(s) contained therein. Schedules contained in the Workplan may be amended by mutual agreement of the Parties.

C. The Respondent shall incorporate any written comments that may be made by the

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Ohio EPA into the draft Workplan or draft required document. The Respondent shall submit a revised draft Workplan or revised draft required document to Ohio EPA within thirty (30) days of receipt of Ohio EPA's comments demonstrating the incorporation of Ohio EPA's comments. Following receipt by Ohio EPA of the revised draft Workplan or the revised draft required document, the Ohio EPA will either approve or disapprove, in writing, the draft Workplan or draft required document. Article IX of these Orders shall apply should a dispute arise between the Parties under Article IV, paragraph C, of these Orders.

D. Attachment B to these Orders contains a list of guidance documents for the development of the Workplan. The Respondent shall develop the Workplan consistent with the most current version of the guidance documents listed on that attachment. If Ohio EPA determines that any additional guidance documents affect the work to be performed under these Orders, the Ohio EPA will notify the Respondent in writing of the additional guidance and any affected documents and the Workplan shall be amended accordingly. Article IX of these Orders shall apply should a dispute arise between the Parties under Article IV, paragraph D, of these Orders.

E. The Respondent shall provide monthly progress reports to the Ohio EPA Site Coordinator covering the work or activities conducted pursuant to these orders and carried out by the Respondent during the previous calendar month. These monthly progress reports shall be submitted to the Ohio EPA Site Coordinator on or before the tenth (10th) day of each month. These monthly progress reports shall include, at minimum, the following information:

1. A description and estimate of the percentage of interim action tasks completed;
2. Summaries of all relevant findings, including, but not limited to, water level measurements, flow maps, sampling results, etc.;
3. Once implemented, an evaluation of the current effectiveness of all interim action systems in achieving the goals of the Orders;
4. Summaries of all changes made in the interim actions;

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5. Summaries of all contacts with representatives of the local community, public interest groups, or city and state agencies and government;
6. Summaries of all problems or potential problems encountered;
7. All actions being taken to rectify problems occurring at the Site;
8. Changes in key personnel or ownership/lease transfers of the property which the Respondent owns;
9. Summaries of the projected work for the next reporting period; and
10. Copies of daily reports, inspection reports, tabulated monitoring and laboratory data, effluent monitoring data, QA/QC reports, geologic logs, monitoring well construction diagrams, etc., generated during the reporting period.

V. DESIGNATED SITE COORDINATORS

The Respondent and Ohio EPA shall each designate a Site Coordinator and an alternate, as appropriate, for the purpose of overseeing the implementation of these Orders. To the maximum extent possible, except as specifically provided in these Orders, communications between the Respondent and Ohio EPA concerning the terms and conditions of these Orders shall be made between the designated Site Coordinators. Each designated Site Coordinator shall be responsible for assuring that all communications from the other parties are appropriately disseminated and processed. The Site Coordinators shall attempt to resolve disputes informally through good faith discussion on the technical issues.

Without limitation of any authority conferred on Ohio EPA by statutes or regulations, the Ohio EPA Site Coordinator's authority includes, but is not limited to: (1) taking samples or, in accordance with the terms of any workplan, directing the type, quantity and location of samples to be taken by the Respondent; (2) observing, and taking photographs and making such other reports on the progress of the work as deemed appropriate; (3) directing that work stop, whenever the Ohio EPA Site Coordinator determines that activities at the Site may create a threat to public

health or welfare or the environment; and (4) reviewing records, files and documents relevant to these Orders.

The Respondents' designated Site Coordinator or alternate(s) shall be present on-site during all hours of work at the Site and shall make himself/herself available for the pendency of these Orders. The absence of the Ohio EPA Site Coordinator from the Site shall not be cause for stoppage of work unless otherwise provided.

VI. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim of action or demand in law or equity against any person, firm, partnership, or corporation, not subject to these Orders for any liability arising out of or relating to the operation of the Site.

VII. OTHER APPLICABLE LAWS

All work required to be taken pursuant to these Orders shall comply with the requirements of applicable local, state, and federal laws and regulations and shall be consistent with the National Contingency Plan ("NCP") 40 CFR Part 300, as amended. Nothing in these Orders shall be construed as waiving or compromising in any way the applicability and enforcement of any other statutes or regulations applicable to the Respondents' ownership and/or operation of facility. The Ohio EPA reserves all rights and privileges except as specified herein.

VIII. UNAVOIDABLE DELAYS

The Respondent shall cause all work to be performed within the agreed time schedules provided for in any approved Workplan, unless any such performance is prevented or delayed by an event which constitutes an unavoidable delay. For purposes of these Orders, an "unavoidable delay" shall mean any event(s) beyond the control of the Respondent which prevents or delays performance of any obligation required by these Orders and which could not be overcome by due diligence on the part of the Respondent. Increased costs of compliance shall be considered circumstances beyond the control of the Respondent.

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The Respondent shall notify the Ohio EPA in writing no later than ten (10) business days after their discovery of the occurrence of any event which the Respondent contends is an unavoidable delay. Such written notification shall describe the anticipated length of the delay, the cause or causes of the delay, the measures taken and to be taken by the Respondent to minimize the delay, and the timetable under which these measures will be implemented. The Respondent shall have the burden of demonstrating that the event(s) constitute(s) an unavoidable delay, and Ohio EPA shall make any determination with regard to such a claim. In the event that the Respondent fails to demonstrate that the delay(s) constitute(s) an "unavoidable delay," as determined by Ohio EPA and defined in these Orders, Ohio EPA reserves the right to enforce the terms and conditions of these Orders against the Respondent.

In the event that Ohio EPA agrees that an unavoidable delay has occurred, these Orders, including incorporated documents and any affected schedules thereunder, may be modified in the event the unavoidable delay affects such schedules.

IX. DISPUTE RESOLUTION

A. Unless it is expressly noted that a particular Article or Section of these Orders is subject to the provisions of this Article, the dispute resolution process shall not apply.

B. The Site Coordinators shall, whenever possible, operate by consensus. In the event that there is a disagreement about the adequacy or disapproval of the Workplan or any report, or disagreement about the conduct of the work performed under these Orders or the Workplan, or modified or additional work or schedules required under these Orders, upon written receipt of the disagreement or disapproval the Site Coordinators shall have seven (7) days to negotiate in good faith in an attempt to resolve the differences.

C. In the event that the Site Coordinators are unable to reach consensus on the disapproval or disagreement in seven (7) days, then each Site Coordinator shall

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reduce his/her position to writing within seven (7) days of the end of the good faith negotiations referenced above. Those written positions shall be immediately exchanged by the Site Coordinators. Following the exchange of written positions, the parties shall have an additional seven (7) days to resolve their differences. If the Ohio EPA concurs with the position of the Respondent, Ohio EPA will amend the Workplan or modify these Orders to include necessary extensions of time or variances of required work.

D. If Ohio EPA does not concur with the position of the Respondent, the Ohio EPA will resolve the dispute based upon and consistent with these Orders, the Workplan, and ORC Sections 6111.03, 3734.20 and the regulations promulgated thereunder and any other appropriate State or federal law. The pendency of dispute resolution set forth in this Article shall not affect the time period for completion of work to be performed under these Orders or the Workplan, except that upon written mutual agreement of the parties, any time may be extended as appropriate under the circumstances. Such agreement will not be unreasonably withheld by Ohio EPA. Elements of work not affected by the dispute will be completed in accordance with the schedules contained in the Workplan.

X. REIMBURSEMENT OF COSTS

Ohio EPA has incurred and continues to incur oversight and response costs in connection with the Site. Within thirty (30) days of the receipt of the first accounting of these costs incurred up to the effective date of these Orders, the Respondent shall remit a check to Ohio EPA for the full amount claimed. Within sixty (60) days of the end of each calendar year, the Ohio EPA shall submit to the Respondent an itemized statement of such costs of the Ohio EPA for the previous year. Following receipt of the itemized statement, the Respondent shall pay, within thirty (30) calendar days, the full amount claimed. The Respondent may, at anytime, request for inspection and copying such accounting reports and records compiled by the Ohio EPA pertaining to the Site. Payment to Ohio EPA shall be made to the Ohio Hazardous

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Waste Clean-up Special Account, created under O.R.C. Section 3734.28, by check payable to "Treasurer, State of Ohio" and shall be forwarded to: Fiscal Officer, Division of Emergency and Remedial Response of Environmental Protection, P. O. Box 1049, 1800 WaterMark Drive, Columbus, Ohio, 43266-0149. A copy of the transmittal letter shall be sent to Counsel for the Director at the second address listed in Article XI, below. Article IX of these Orders shall apply should a dispute arise between the parties under Article X of these Orders regarding the nature of and amount of the oversight and response costs claimed in the itemized statements received by the Respondent.

XI. NOTICE

All documents demonstrating compliance with these Orders and other documents required under these Orders are to be submitted to the Ohio EPA and shall be addressed to:

Ohio Environmental Protection Agency
40 South Main Street
Dayton, Ohio 45402
ATTN: Site Coordinator, DERR

and

Ohio Environmental Protection Agency
1800 WaterMark Drive
P. O. Box 1049
Columbus, Ohio 43266-0149
Attn: Technical Support Unit, DERR

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unless otherwise specified in these Orders or to such persons and addresses as may hereafter be otherwise specified in writing.

XII. RESERVATION OF RIGHTS

Nothing contained herein shall be construed to prevent Ohio EPA from (1) seeking legal or equitable relief to enforce the terms of these Orders including penalties against the Respondent for noncompliance or claims for natural resources damages; or (2) completing any work described in these Orders. Ohio EPA reserves the right to take any enforcement action, recover costs, or seek damages for injury

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to natural resources pursuant to any available legal authority for past, present, or future violations of ORC Chapters 3734, 6111, or other laws, and or conditions at the Site, or releases of hazardous wastes.

Ohio EPA specifically reserves the right to perform or require the Respondent to perform additional investigation, removal, or remediation at the Site pursuant to ORC Chapters 3734 or 6111 or other applicable authority for these or any other conditions at the site. Nothing herein shall restrict the right of the Respondent to raise any administrative, legal, or equitable defense with respect to such further actions which Ohio EPA may seek to require of the Respondent. Further, the Respondent reserves any rights they may have to raise any administrative, legal, or equitable defense in the event Ohio EPA claims that it is not in compliance with these Orders.

XIII. TERMINATION

The provisions of these Orders shall be terminated and satisfied upon the Respondent's demonstrating in writing, and certifying to the Ohio EPA's satisfaction, that all activities required under these Orders, including any additional tasks determined to the Ohio EPA to be necessary in accordance with these orders and payment of all oversight costs, have been completed and that the Ohio EPA approves such certification in writing. Such certification approval by the Ohio EPA shall not terminate the terms, conditions, and the Respondent's obligation to comply with Article VII (other applicable laws) and Article XII (reservation of rights) of these Orders.

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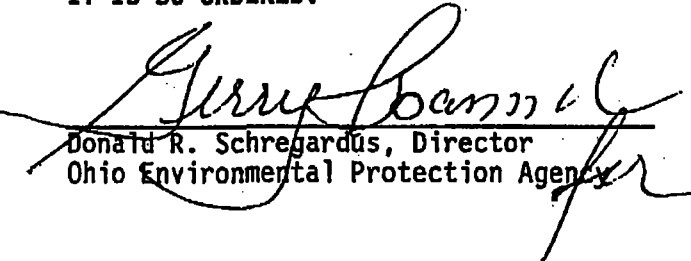
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XIV. SIGNATORIES

Each undersigned representative of a signatory to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such signatory to this document.

IT IS SO ORDERED:


Donald R. Schregardus, Director
Ohio Environmental Protection Agency

AUG 17 1993

Date

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XV. WAIVER AND AGREEMENT

In order to resolve disputed claims, without admission of fact, violation, or liability, Respondent agrees that these Orders are lawful and reasonable, and agrees to perform all actions required by these Orders.

The Respondent hereby waives the right to appeal the issuance, terms and service of these Orders and hereby waives any and all rights it may have to seek judicial review of such Orders either in law or equity.

Notwithstanding the preceding, the Ohio EPA and Respondent agree that in the event that these Orders are appealed by any other party to the Environmental Board of Review, or any court, Respondent retains the right to intervene and participate in such appeal. In such event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

IT IS SO AGREED:

By:

Jay G. Heitz
Gayston Corporation

05 AUG. 93
Date

JAY G. HEITZ
Typed or printed name

EXECUTIVE VICE PRESIDENT
Title

Ohio Environmental Protection Agency

Donald R. Schregardus
Director

Ohio Environmental Protection Agency

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Date

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ATTACHMENT A

STATEMENT OF WORK (SOW) FOR CONDUCTING SOURCE CONTROL

INTERIM ACTION(S) AT THE GAYSTON SITE

PURPOSE:

The purpose of conducting the work described herein is to control the source(s) of ground-water contamination which have resulted from the disposal of industrial wastes, pollutants, other wastes, and/or hazardous wastes, constituents, and substances (contaminants) at the Gayston site (the Site). Respondent(s) shall conduct a Focused Site Characterization (FSC) to characterize the source(s) of contaminant release at the Site, determine Site physical characteristics, develop cleanup goals, and obtain all other data necessary to design and implement the source control interim action(s) (SCIA(s)). Concurrent with the FSC, Respondent(s) shall evaluate potential SCIA(s), propose appropriate SCIA(s) for the Site, and prepare a conceptual design of the proposed SCIA(s). Following Ohio EPA approval of the proposed SCIA(s), Respondent(s) shall design and implement the approved SCIA(s), and operate, maintain and monitor the constructed system(s). Successful completion of the required work will result in the elimination of identified sources of contaminant releases and control of identified pathways of contaminant migration. The FSC and conceptual design of the proposed SCIA(s) are interactive and are to be conducted concurrently so that the data collected during the FSC influences the evaluation of and the conceptual design of the proposed SCIA(s).

Respondent(s) shall conduct all required activities and provide all required deliverables in accordance with the Director's Final Findings and Orders (Orders) and this SOW. Respondent(s) shall furnish all necessary personnel, materials, and services needed, or incidental to, performing the activities described in this statement of work.

Respondent(s) shall obtain all site access agreements required to perform the work outlined in this SOW. Site access shall extend for the duration of the project and shall include allowances for all operation and maintenance considerations.

At the completion of the FSC, the Ohio EPA will approve or modify as appropriate Respondent(s)' proposed SCIA(s). To obtain Ohio EPA approval, proposed SCIA(s) must at a minimum protect human health and the environment, comply with the requirements of federal, state and local laws and regulations, minimize cross-media transfer of contaminants and utilize permanent solutions to the maximum extent practicable.

TASKS:

1. Develop Workplan;
2. Conduct field investigations to characterize contaminant source(s) and obtain all data necessary to evaluate, select and design SCIA(s).

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3. Design and implement SCIA(s).

DELIVERABLES:

1. Workplan
2. Focused Site Characterization and Conceptual Design Report
3. Detailed Plans and Specifications for SCIA(s)
4. Operation, Maintenance and Monitoring Plans for SCIA(s)
5. Monthly progress reports

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With prior agency approval, Respondent(s) may incorporate into the Workplan or otherwise submit simultaneously any of the above required deliverables upon demonstration that doing so will expedite the work required by this SOW.

1.0 DEVELOP WORK PLANS

Respondent(s) shall submit a FSC Workplan (Workplan), a sampling and analysis plan (SAP) consisting of a field sampling plan (FSP) and a quality assurance project plan (QAPP), and a Site health and safety plan (HSP). The Workplan and supporting documents must be approved by Ohio EPA prior to the initiation of field activities.

1.1 FSC Workplan

The Workplan shall be developed in conjunction with the SAP and the HSP although each plan may be submitted under separate cover. The Workplan shall include the supporting rationale for performing each task in the manner described. The Workplan shall describe in detail all tasks necessary to perform the work required by this SOW, including materials and procedures required for each task, and work products to be submitted to the Ohio EPA. This includes deliverables as required by the Orders and this SOW, and meetings with Ohio EPA. The Workplan shall provide fixed date schedules for accomplishing the required work.

The Workplan shall clearly state the objectives of the FSC, identify actual or potential threats to human health and the environment posed by the Site, and identify preliminary cleanup goals for those contaminants previously identified at the Site. Based on review of existing information, Respondent(s) shall include in the Workplan a summary of the Site background including geographic location, and describe Site physiography, hydrology, geology, and history with regard to the use, storage and disposal of contaminants. The Workplan shall describe any previous response actions conducted by local, state, federal, or private parties; provide a summary of existing data in terms of physical and chemical characteristics of identified contaminants, describe their distribution among the environmental media; and demonstrate compliance with federal, state and local laws and regulations which apply to the work to be performed. The Workplan shall identify

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potential SCIA(s) which shall address each media of interest, identifying treatment, excavation, pumping, or other actions, either singly or in combination, to satisfy interim action objectives. Data collection activities necessary to evaluate potential SCIA(s) shall be identified. Following Ohio EPA approval of the Workplan and supporting documents, Respondent(s) shall implement the work in accordance with the schedules described therein.

In performing the work required by this SOW, Respondent(s) may rely upon data and/or information gathered from other sources to the extent that Respondent(s) can demonstrate that QA/QC procedures acceptable to Ohio EPA were followed in the generation and presentation of the data and/or information. Respondent(s) shall include all supporting documentation in the Workplan for all data and/or information gathered from other sources and clearly identify the intended use(s) for such data and/or information. Ohio EPA will evaluate the adequacy of supporting QA/QC documentation and determine the acceptability of all data and/or information gathered from other sources during review of the draft Workplan.

If the need for additional work is identified at any time during the performance of the work required by this SOW, Respondent(s) shall submit a Workplan amendment with schedule documenting the need for the additional work and describing in detail the tasks to be performed. Respondent(s) shall be responsible for completing any additional work approved or required by the Ohio EPA in a manner consistent with the purpose and objectives of this Statement Of Work.

1.2 Sampling and Analysis Plan

Respondent(s) shall prepare a SAP consisting of the following:

A. *Field Sampling Plan*

The FSP shall specify and detail all activities necessary to obtain Site data. It shall explain what additional data are required to adequately characterize the Site and support the evaluation of potential SCIA(s). The FSP shall describe sampling objectives; equipment and procedures; sample types, locations, and frequencies; and parameters of interest; and shall be tied to the schedules contained in the Workplan.

B. *Quality Assurance Project Plan*

The QAPP shall address all investigations to be conducted at the Site and shall include the following:

1. A project description;
2. Analytical methods and laboratory procedures;

3. Quality assurance objectives for data such as the required precision and accuracy, completeness of data, representativeness of data, comparability of data, and the intended use of collected data;
4. Chain of custody procedures during sample collection and in the laboratory;
5. The type and frequency of calibration procedures during sample collection and in the laboratory;
6. Preventative maintenance procedures and schedule and corrective action procedures for field and laboratory instruments;
7. Specific procedures to assess data precision, representativeness, comparability, accuracy, and completeness of specific measurement parameters; and
8. Data documentation and tracking procedures.

C. *Health and Safety Plan*

Respondent(s) shall submit an HSP which shall comply with the requirements of applicable federal, state, and local laws. The HSP shall be consistent with:

1. NIOSH Occupational Safety and Health Guidance Manual for Hazardous Waste Site Activities (1985);
2. Section 111(c)(6) of CERCLA;
3. U.S. EPA Order 1440.3 -- Respiratory Protection;
4. U.S. EPA Occupational Health and Safety Manual;
5. U.S. EPA Interim Standard Operating Safety Procedures and other U.S. EPA guidance as developed;
6. OSHA regulations, particularly in 29 CFR 1910 and 1926;
7. State and local regulations; and
8. Site or facility conditions.

The HSP shall identify problems or hazards that may be encountered and their solution. Safety procedures to be followed to protect third parties, such as visitors or the surrounding community, including monitoring, shall also be provided.

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2.0 SITE INVESTIGATION AND CONCEPTUAL DESIGN

Respondent(s) shall collect data on the physical characteristics of the Site to the extent necessary to define potential contaminant transport pathways and provide sufficient engineering data for screening and selecting proposed SCIA(s). Respondent(s) shall screen the potential SCIA(s) identified in the Workplan concurrent with the Site characterization tasks.

2.1 Hydrogeology

Respondent(s) shall perform a Site-wide hydrogeologic study to evaluate the subsurface geology and water bearing formations, and to characterize ground-water contamination. The study shall determine the location of water bearing formations, confining layers, bedrock, and other subsurface geologic features, and shall support the determination of the vertical and horizontal distribution of source contaminants. Efforts shall begin with a survey of previous hydrogeologic studies and other existing data.

A detailed technical description of all methods to be used in gathering data for this task shall be included in the Workplan. This shall include a diagrammatic representation of proposed monitoring well and piezometer locations, monitoring well and piezometer design and construction, information on construction materials, drilling techniques, and well development methods.

The hydrogeologic investigation shall provide the following information for the Site:

- A. A representative and accurate classification and description of the hydrogeologic units which may be part of contaminant migration pathways (i.e., the aquifers and any intervening saturated and unsaturated units), including but not limited to:
 - 1. Hydraulic conductivity (vertical and horizontal) and porosity (total and effective);
 - 2. Storativity and transmissivity;
 - 3. Lithology, grain size, sorting, and degree of cementation;
 - 4. A determination of hydraulic interconnections between saturated zones; and
 - 5. The retardation capacity and mechanisms of the natural earth materials (e.g., organic carbon content, clay content, etc.).
- B. Hydrogeologic cross-sections showing the extent (depth, thickness, lateral extent) of hydrogeologic units which may be part of the contaminant migration pathways, identifying:
 - 1. Sand, gravel, and other unconsolidated deposits;

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2. Zones of higher or lower permeability that might direct and restrict the flow of contaminants;
 3. Aquifers: geologic formations, groups of formations, or parts of formations capable of yielding usable amounts of ground water to wells or springs; and
 4. Water-bearing zones that may serve as a pathway for contaminant migration including perched zones of saturation.
- C. A representative description of water level or fluid pressure monitoring including:
1. Potentiometric surface maps;
 2. Hydrogeologic cross sections showing vertical gradients and interconnection between water bearing strata; and
 3. Temporal changes in hydraulic gradients and flow directions.
- D. A description of man-made influences that may affect the hydrogeology of the Site identifying:
1. Active and inactive local water supply and production wells with an approximate schedule of pumping; and
 2. Man-made hydraulic structures (pipe-lines, french drains, ditches, unlined ponds, septic tanks, wastewater outfalls, retention areas, utility lines, etc.).

Respondent(s) shall document the procedures used in making the above determinations.

2.2 Soil and Sediments Investigations

Respondent(s) shall conduct a program to characterize the soil and unconsolidated deposits in the vicinity of the contaminant release(s). This process may overlap with certain aspects of the hydrogeologic study (e.g., characteristics of soil strata are relevant to both the transport of contaminants by ground water and to the locations of contaminants in the soil). A survey of existing data on soils and sediments may be useful. The characterization shall include as appropriate the following information:

- A. Soil classification using the Unified Soil Classification System;
- B. Surface soil distribution;
- C. Soil profile, including ASTM classification of soils;
- D. Transects of soil stratigraphy;
- E. Hydraulic conductivity;

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- F. Relative permeability;
- G. Bulk density;
- H. Porosity;
- I. Soil sorptive capacity;
- J. Soil organic content;
- K. Particle size distribution;
- L. Depth to water table;
- M. Moisture content;
- N. Effect of stratification on unsaturated flow;
- O. Infiltration rate; and
- P. Storage capacity.

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Respondent(s) shall document the procedures used in making the above determinations.

2.3 Contamination Characterization

Respondent(s) shall identify and characterize contamination of Site ground water and soils. Data collected shall be sufficient to define the magnitude, origin, direction, and rate of contaminant migration.

A. Ground-water Contamination

Respondent(s) shall conduct an investigation to characterize ground-water contamination to the extent necessary to characterize contaminant sources and obtain design data. The investigation shall at a minimum provide the following information:

1. A characterization of any immiscible or dissolved contaminant plume(s) originating from the Site including non-aqueous phase liquids (free product);
2. An estimate of aquifer transverse and longitudinal dispersivity;
3. The velocity of contaminant movement;
4. The horizontal and vertical concentration profiles of contaminants in identified plumes;

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5. An evaluation of factors influencing contaminant movement; and
6. Background contaminant concentrations in areas upgradient of and unaffected by Site-related contaminant source(s).

Respondent(s) shall follow the guidance identified in the Orders for well design, construction, development, purging, sampling, geophysics, modeling, etc. and shall document the procedures used in making the above determinations.

B. Soil Contamination

Respondent(s) shall conduct an investigation to characterize surface and subsurface soil contamination at the Site. The investigation shall be designed to collect the following information:

1. The vertical and horizontal concentration profiles of contaminants in Site soils;
2. A description of soil chemical properties which might affect contaminant migration and transformation;
3. Identification of contaminants present;
4. Background soil contaminant concentrations in areas unaffected by Site related contaminant source(s).

2.4 Refine and Develop Cleanup Goals and Design Criteria

Respondent(s) shall refine the cleanup goals previously identified in the Workplan. Cleanup goals shall be developed and refined in accordance with the guidance documents identified in the Orders. Volumes or areas of media to which potential SCIA(s) apply shall be identified, taking into account the chemical and physical characteristics of the Site and the requirements for protectiveness as identified in the refined cleanup goals.

Using the Freundlich Equation with Site specific data, Respondent(s) shall estimate the volume of water moving vertically and horizontally through contaminated media so as to determine unsaturated soil organic contaminant cleanup goals. The objective shall be to establish SCIA design criteria for soils which will be protective of ground water and not elevate ground-water organic contaminant levels above ground-water cleanup goals. Unsaturated soil organic contaminant cleanup goals shall be calculated for each individual organic contaminant of concern.

2.5 Site Characterization Report

Respondent(s) shall summarize all investigations and their results to ensure that the investigation data are sufficient in quality and quantity to describe the nature and extent of identified source(s) of contamination, define contaminant transport mechanisms and

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support the selection and design of the proposed SCIA(s). Any data gaps shall be identified and their impact upon the work shall be fully described. The analysis and summary shall be presented in a written report which shall at a minimum include the following:

- A. Data on Site physical characteristics (soils, geology, hydrogeology, etc.)
- B. Data on source characteristics describing:
 - 1. The source location;
 - 2. The type and integrity of any existing waste containment; and
 - 3. A description of the vertical and horizontal extent of contamination in the source area (quantity of contaminated source media).
- C. Data on the nature and extent of contamination within the source area.
- D. Cleanup goals and supporting calculations for all contaminated media.

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2.6 Conceptual Design of Respondent(s)' proposed SCIA(s)

Using data generated during the FSC, Respondent(s) shall evaluate the potential SCIA(s) identified in the FSC Workplan for applicability to Site problems and recommend a proposed SCIA(s) for implementation at the Site. Respondent(s) shall include a technical description of each component of the proposed SCIA(s) outlining the waste management strategy involved and identifying regulatory requirements and cleanup goals. The Conceptual Design shall include discussion of the evaluation of the potential SCIA(s) and shall be included as part of or submitted concurrently with the Site Characterization Report. The Conceptual Design shall include but not be limited to the following:

- A. A narrative description of the proposed SCIA(s);
- B. Schematic drawings of treatment processes;
- C. A description of how treatment, storage, and disposal of contaminated media will comply with federal, state and local laws and regulations;
- D. Supporting data and documentation defining the functional aspects of the SCIA(s);
- E. Design calculations including removal and destruction efficiencies for all SCIA components (treatment works, extraction wells, vadose gases extraction networks, etc.);
- F. A Site map showing the location of all SCIA components and significant Site features;

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- G. A schedule for submittal of detailed plans and specifications including any required permit applications, initiation and completion of construction, attainment of operational level; and initiation of operation, maintenance, and monitoring; and
- H. Identification and assessment of all applicable regulatory requirements pertaining to the proposed SCIA(s) including:
 - 1. Identification of permitting authorities,
 - 2. Required construction/operation permits,
 - 3. Time required by permitting authorities to process applications,
 - 4. Monitoring and/or compliance testing requirements, and
 - 5. Reporting requirements.
- I. Monitoring requirements to verify system effectiveness.

Factors considered by Ohio EPA in approval of proposed SCIA(s) include but are not limited to the following:

- A. Time required for implementation;
- B. Time required to achieve protection of human health and the environment;
- C. Compliance with federal, state and local laws and regulations;
- D. Performance efficiencies;
- E. Use of treatment technologies which significantly reduce toxicity, mobility, and volume of contaminants;
- F. Ability to minimize or eliminate cross-media transfer of contaminants;
- G. Ability to verify SCIA(s) effectiveness;
- H. Frequency of routine maintenance and component replacement;
- I. Degree of permanence; and
- J. Degree of contribution to the efficient performance of any anticipated long-term remedial action(s).

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3.0 DESIGN/IMPLEMENTATION (D/I)

The purpose of D/I is to design and implement the approved SCIA(s) in order to protect the human health and the environment.

3.1 Detailed Plans and Specifications

Detailed plans and specifications for the approved SCIA(s) shall be submitted in accordance with the timetable contained in the Ohio EPA-approved Conceptual Design. The detailed plans and specifications shall include but not be limited to final construction drawings, specifications, plans, and design analyses with supporting calculations. Applications for any required permits shall be submitted simultaneously with the detailed plans and specifications. Following Ohio EPA approval of the detailed plans and specifications and receipt of any necessary construction permits, *Respondent* shall initiate construction of the approved SCIA(s) in accordance with the approved schedules contained in the Conceptual Design.

3.2 Operation and Maintenance (O&M) Plan

An O&M plan shall be submitted to Ohio EPA prior to the completion of construction. Appropriate elements are listed in Exhibit 1. Plan elements listed in Exhibit 1 are for illustrative purposes and should not limit the content of the O&M plan.

3.3 Design Changes During Construction

During construction, unforeseen Site conditions, changes in estimated quantities, and other problems associated with the project may require either major or minor changes to the approved design. Design changes require prior approval of Ohio EPA and may require modification of permit(s) to install to ensure that the intent and scope of the approved SCIA(s) is maintained. Changes to the SCIA(s) design which require Ohio EPA approval prior to implementation include:

- A. Those which involve the deletion or addition of a major component of the approved SCIA(s) (e.g. changing one treatment system for another, deleting any designed layer of a multilayer cap);
- B. Those which result in a less effective treatment for wastes associated with the Site;
- C. Any changes which may result in an increased exposure to Site contaminants and/or risk to human health or the environment;
- D. Those which result in a significant delay in the completion of the SCIA(s); and
- E. Any other changes which alter the scope or objectives of the approved SCIA(s).

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3.4 Construction Completion

As the construction of the SCIA(s) nears completion, the following activities shall be completed by Respondent(s) to ensure proper construction completion and transition to the O&M phase.

A. *SCIA(s) Construction Report and Certification*

A SCIA(s) Construction Report (CR) shall be prepared and submitted by Respondent(s) within 30 days of completion of construction and in accordance with the schedule contained in the Conceptual Design. The CR report shall include the following:

1. A synopsis of the construction work defined in the detailed plans and specifications and certification that this work was performed;
2. An explanation of any modifications to the work defined in the detailed plans and specifications and why they were necessary for the project; and
3. Certification that the constructed SCIA(s) is operational and functional and constructed according to the approved plans and specifications.

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EXHIBIT 1

Basic Elements of an Operation and Maintenance (O&M) Plan

A. Normal O&M

1. Description of tasks for operation
2. Description of tasks for maintenance
3. Description of prescribed treatment or operating conditions
4. Schedules showing the frequency of each O&M task

B. Potential Operating Problems

1. Description and analysis of potential operating problems
2. Sources of information regarding potential operating problems
3. Description of means of detecting problems in the operating systems
4. Common remedies for operating problems

C. Routine Monitoring and Laboratory Testing

1. Description of monitoring tasks
2. Description of required laboratory tests and interpretation of test results
3. Required QA/QC procedures
4. Monitoring schedule

D. Alternative O&M

1. Description of alternate procedures to prevent undue hazard, should systems fail
2. Vulnerability analysis and additional resources requirements should a failure occur

E. Safety Plan

1. Description of safety procedures, necessary equipment, etc. for site personnel
2. Description of safety tasks required in the event of systems failure

F. Equipment

1. Description of equipment necessary to the O&M Plan
2. Description of installation of monitoring components
3. Description of maintenance of site equipment
4. Replacement schedule for equipment and installed components

G. Records and Reporting Mechanisms Required

1. Daily operating logs
2. Laboratory records
3. Mechanism for reporting emergencies
4. Personnel and maintenance records
5. Monthly reports to Ohio EPA

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By: Mary Carlin Date 8-17-93

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EXHIBIT 2

METHOD TO CALCULATE SOIL CLEANUP GOALS USING THE FREUNDLICH EQUATION

This document outlines a method using the Freundlich equation for establishing soil cleanup goals at hazardous waste sites where threats to ground water resources exist. The method is designed for use with organic compounds and will predict dry soil contaminant concentrations which will prevent ground-water contaminant levels from exceeding ground-water cleanup goals. A dry soil contaminant goal can be calculated for each contaminant of concern.

The method consists of two steps. In step 1, the maximum equilibrium soil water concentration for the contaminant of concern is calculated by setting the contaminant concentration in the top 10 feet of the aquifer beneath the contaminated portion of the site to the ground water cleanup goal, estimating the vertical and horizontal components of ground-water flow, and determining by mass balance calculations the maximum mass and concentration of contaminant which can be transported via vertical ground-water flow to ground water flowing horizontally beneath the site.

In step 2, a batch adsorption technique is used to assess the ability of on-site soils to remove contaminants from solution. An aqueous solution containing solutes of known composition and concentration is mixed with a given mass of adsorbent and allowed to equilibrate. The solution is separated from the adsorbent and analyzed to determine changes in chemical composition. The amount of solute adsorbed is assumed to be the difference between the initial concentration and the solute concentration after the mixing period. The results of the batch adsorption experiment are graphed and the Freundlich adsorption equation for the resulting line segment is derived. The Freundlich isotherm or curve is then used to determine how the solute will partition between soil and water.

The value for the maximum equilibrium soil water concentration for the contaminant of concern can be inserted into the Freundlich equation derived during step 2 to determine the maximum dry soil contaminant concentration.

Step 1. Calculate maximum equilibrium soil-water concentration for contaminant.

A simple ground-water flow model is constructed for the site. Assumptions of the model include:

- a. Darcy's Law, $q = -K dh/dl$, is valid
where q = specific discharge
 K = hydraulic conductivity
 dh/dl = hydraulic gradient
- b. Hydraulic conductivity in top 10 feet of aquifer is homogeneous and isotropic
- c. Uniform hydraulic gradient beneath site

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The following steps are required to construct the model.

1. Measure the lateral source length perpendicular to the direction of ground-water flow.
2. Using Darcy's Law, calculate the lateral ground-water flow in the top ten feet of the aquifer beneath the contaminated portion of the site.

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3. Calculate the maximum mass of contaminant that can leave site (ground-water quality goal times yearly flux).
4. Measure the surface area of the contaminated portion of the site.
5. Calculate the infiltration rate through the contaminated portion of the site using the U.S.EPA Help Model.
6. Assuming the upgradient ground water contaminant concentration = 0, calculate the maximum concentration of the contaminant in the equilibrium soil water which can be transported via infiltration to ground water passing beneath the site such that the ground-water contaminant level will not exceed the ground-water cleanup goal.

Step 2. Assess ability of on-site soils to remove contaminants from solution.

1. Determine a suitable batch-type laboratory procedure for determining soil adsorption of contaminants. See EPA/530-SW-87-006-F: *Batch-Type Procedures for Estimating Soil Adsorption of Chemicals* (USEPA, 1992).
2. Construct adsorption isotherm by conducting batch experiments and determining amount of solute adsorbed per mass of adsorbent by

$$x/m = (C_o - C)(V)/m$$

where x/m = amount of solute adsorbed per unit mass of adsorbent,
 m = mass of adsorbent added to reaction chamber
 C_o = initial solute concentration before exposure to adsorbent
 C = solute concentration after exposure to adsorbent, and
 V = volume of solute solution added to reaction container.

The isotherm is constructed by plotting equilibrium concentration (C) or $\log C$ on the x axis and the corresponding x/m or $\log x/m$ on the y axis. The linear expression of the Freundlich equation is

$$\log (x/m) = \log K_f + 1/n \log C$$

where x/m = amount of solute adsorbed per unit mass of adsorbent,
 K_f = a constant
 $1/n$ = a constant, and
 C = solute concentration after exposure to adsorbent.

A linear regression can be used to fit a curve through the adsorption isotherm where the intercept equals K_f and the slope equals $1/n$. The value for C calculated in Step 1 can be plotted on the isotherm in order to determine the corresponding value for x/m , the soil cleanup goal.

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ATTACHMENT B
GUIDANCE DOCUMENTS FOR THE DEVELOPMENT
OF THE WORKPLAN

- a) *RCRA Ground Water Monitoring Technical Enforcement Guidance Document (TEGD)*, OSWER Directive 9950.1, September, 1986.
- b) *Risk Assessment Guidance for Superfund: Volume I - Human Health Evaluation Manual (Part B), Development of Risk-based Preliminary Remediation Goals*, OSWER Directive 9285.7-01B, December, 1991, Interim.
- c) *Guidelines and Specifications for Preparing Quality Assurance Project Plans*, Ohio EPA, Division of Emergency and Remedial Response, Policy No. DERR-00-RR-008.
- d) *Batch-Type Procedures for Estimating Soil Adsorption of Chemicals*, U.S.EPA, EPA/530/SW-87/006-F, April, 1992.

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By: Mary Carin Date 8-17-93

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MONTGOMERY COUNTY

PUBLIC NOTICE

OHIO ENVIRONMENTAL PROTECTION AGENCY

Notice is hereby given that the Director of the Ohio Environmental Protection Agency (OEPA) has issued as a final action an Administrative Order on Consent in the matter of the Gayston Corporation as Respondent. OEPA is hereby giving Notice that Respondent Gayston Corporation has consented to develop and implement a workplan that characterizes the source of contamination and to design and implement approved response actions at the Site, which includes the property located at 55 Janey Road, Dayton, Montgomery County, Ohio

The effective date of this final action is 17 August 1993. The action of the Director is final and may be appealed to the Environmental Board of Review (EBR) pursuant to Section 3745.04 of the Revised Code. The appeal must be in writing and set forth the action complained of and the grounds upon which the appeal is based. The appeal must be filed with the EBR within thirty (30) days after notice of the Director's action. A copy of the appeal must be served upon the Director of the Ohio EPA within three (3) days of filing at the EBR. The EBR's address is:

Environmental Board of Review
236 East Town Street
Room 300
Columbus, Ohio 43215

A copy of the AOC may be obtained from the Hearing Clerk, Ohio EPA, P.O. Box 1049, 1800 WaterMark Drive, Columbus, Ohio 43266-0149, from the Division of Emergency and remedial Response, OEPA, P.O. Box 1049, 1800 WaterMark Drive, Columbus, Ohio 43266-0149, or from the Division of Emergency and Remedial Response, OEPA, 40 South Main Street, Dayton, Ohio 45402-2086.

EXHIBIT B



Notes:
Contours Generated using Surfer 8.05

- ◆ Monitoring Well Location
- Groundwater Flow Direction
- Groundwater Elevation Contour
- Orange Area: Additional Phase II Sample Area (Kiser Elementary School)
- Yellow Area: Additional Phase II Sample Area (McCook Field Neighborhood)

Attachment 1



U.S. EPA






JULY 2007 GROUNDWATER CONTOUR MAP
BEHR VOC PLUME SITE
DAYTON, MIAMI COUNTY, OHIO
OCTOBER 4, 2007

EXHIBIT C



Notes:

Concentration Contour Intervals are
100 ug/L between 100 and 1,000 ug/L
2,000 ug/L between 2,000 and 18,000 ug/L
Contours Generated using Surfer 8.05

-  Groundwater Flow Direction
-  Sample Location & TCE ug/L
-  TCE Plume Contour (ug/L)
-  Additional Phase II Sample Area (Kiser Elementary School)
-  Additional Phase II Sample Area (McCook Field Neighborhood)

Attachment 2



U.S. EPA

JULY 2007 TCE PLUME MAP
BEHR VOC PLUME SITE
DAYTON, MIAMI COUNTY, OHIO
OCTOBER 4, 2007

EXHIBIT D

City of Dayton Monitoring Well Locations Miami Well Field - Southwest



1,100 550 0 1,100 Feet

EXHIBIT D

INFORMATION SYNOPSIS - WOODSDALE												
AC1												
SCREEN: 59.9-69.0; BORING DEPTH: 81.5												
LOW PERMEABILITY DEPOSITS: 80-81.5+												
DATUM: 754.66, GROUND EL: 755.23, EASTING: 1498480.127, NORTHING: 655710.9												
LOCATION: ALONG KUNTZ RD. ROW (E SIDE) S OF BLDG AT 1450												
DATE	1,1,1 TCA	TCE	1,1 DCE	1,2 DCE	1,1 DCA	CF						
8/23/04	260.0	110.0	26.0	62.0	26.0							
4/18/07	359.0	137.0	24.6	34.6	7.3							
7/18/07	317.0	146.0	23.7	35.0	7.3	1.1						
11/6/07	157.0	147.0	14.5	18.2	6.6							
4/30/08	304.0	143.0	16.6	20.0	6.9							
10/1/08	279.0	141.0	17.9	21.3	6.4							
AC2												
SCREEN: 59.8-69.3; BORING DEPTH: 89												
LOW PERMEABILITY DEPOSITS: 89+												
DATUM: 755.58, GROUND EL: 756.06, EASTING: 1498867.38, NORTHING: 656157.303												
LOCATION: ALONG KUNTZ RD. ROW (E SIDE) AT SE CORNER OF KUNTZ & KELLY AV.												
DATE	1,1,1 TCA	TCE	1,2 DCE	1,1 DCE	1,1 DCA							
9/1/04	100.0	78.0	8.5	5.9	5.2							
4/19/07	77.0	92.1	7.5	6.2	7.6							
7/19/07	82.5	101.0	8.3	6.4	7.6							
11/6/07	82.2	85.4	9.1	6.6	5.8							
4/30/08	88.4	111.0	8.5	7.7	6.1							
10/2/08	21.6	25.3		2.0	2.7							
AC3												
SCREEN: 37.2-46.7; BORING DEPTH: 8484												
LOW PERMEABILITY DEPOSITS: 83-84+												
DATUM: 752.02, GROUND EL: 752.73, EASTING: 1497977.063, NORTHING: 655109.392												
LOCATION: ALONG AIR CITY AV. ROW (E SIDE) AT NE CORNER OF AIR CITY & MELBERTH												
DATE	PCE	TCE	1,1,1 TCA	1,2 DCE	CF							
9/1/04	120.0	100.0	43.0	18.0								

[illegible]

4/19/07	3.8		1.2								
7/19/07	3.1	2.2									
11/6/07											
4/28/08	1.9	1.7									
10/3/08	3.2		1.1								

DG2

SCREEN: 50-60; BORING DEPTH: 80

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 80

DATUM: 757.16, GROUND EL: 756.86, EASTING: 1499749.178, NORTHING: 656490.798

LOCATION: 1819 TROY ST. BETWEEN KUNTZ AND TROY

DATE	1,1,1 TCA	TCE	1,2 DCE	1,1 DCA	PCE	1,1 DCE					
4/19/07	17.1	15.4	2.6	2.2							
7/19/07	15.4	12.6	2.2	2.0							
11/6/07	83.5	123.0	3.6	5.1	1.1	3.3					
4/29/08	13.6	12.8	2.1	2.0							
10/3/08	17.1	16.4	2.7	2.3							

DG3

SCREEN: 42.5-58.1; BORING DEPTH: 80

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 80

DATUM: 756.71, GROUND EL: 756.75, EASTING: 1499537.718, NORTHING: 656671.661

LOCATION: 1819 TROY ST., APPROX. 50 FT. NW OF TROY ST.

DATE	TCE	1,2 DCE	1,1 DCA	1,1,1 TCA							
4/19/07	8.5	14.2	10.0	10.5							
7/19/07	6.7	13.7	10.3	9.8							
11/6/07											
4/29/08	6.6	10.6	7.5	7.4							
10/3/08	8.9	12.0	7.7	10.0							

E1

SCREEN: 34.4-44; BORING DEPTH: 77

LOW PERMEABILITY DEPOSITS: 27-33

DATUM: 757.98, GROUND EL: 758.2, EASTING: 1499028, NORTHING: 658126

May-06		1.3	1.9									
Apr-07				1.1								
Jul-07	1.2	3.2	2.7	1.4								
Nov-07	1.9	3.0	3.5	1.4								
Apr-08		2.5	3.0	1.1								
Oct-08		2.1	2.7	1.3								

E10

SCREEN: 34.2-43.7; BORING DEPTH: 72.5

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 72.5

DATUM: 759.05, GROUND EL: 759.3, EASTING: 1498970, NORTHING: 657842

LOCATION: A278

DATE	1,1,1 TCA	1,1 DCA	PCE	TCE	1,2 DCE	1,1 DCE	1,1,1,2 *					
Jul-91	61.5	1.5	11.6	5.7	4.3	1.1						
Mar-96	10.0		14.4									
Oct-96	15.2		10.3	1.0								
Jun-97	9.0		9.2	0.6								
Oct-97	7.3		10.2	0.6								
Dec-98	25.8	2.6	23.6	14.8	2.6							
Jun-99	30.8	2.2	29.2	21.6	1.5							
Oct-99	76.9	11.3	41.2	30.9	18.2	0.6						
Dec-99	8.8	1.1	72.9	22.1			1.7					
Apr-00	49.2	9.6	132.0	56.7	22.3		0.5					
Jan-01	32.0	2.9	51.1	20.2	3.9							
Apr-02	5.5		14.4	1.8								
Sep-04			8.7									
May-06	2.9		4.9									
Apr-07	1.6		4.0									
Jul-07	3.4		6.3									
Nov-07	1.6		3.4									
Apr-08	1.6		2.9									
Oct-08	2.4		4.2									

E11

SCREEN: 42.4-51.8; BORING DEPTH: 82.5

LOW PERMEABILITY DEPOSITS:

DATUM: 759.5, GROUND EL: 759.74, EASTING: 1499042, NORTHING: 657796

LOCATION: BEHIND FACILITY AT 100 COMMERCE PARK DR. (W/IN CELL TOWER FENCE)

DATE	PCE	TCE	1,2 DCE	1,1,1 TCA	1,1 DCA	1,1 DCE	1,1,1,2 *	1,2 DCA				
Jul-91	541.0	616.0	477.8	835.0	50.4	11.7						
Mar-94	773.0	392.0	235.2	420.0	19.5	5.3		2.8				
Mar-96	700.0	182.0	220.0	263.0	12.4	1.8	2.4					
Oct-96	550.0	180.0	172.0	288.0	35.0	2.8		1.0				
Jun-97	376.0	105.0	101.0	179.0								
Sep-97	282.0	139.0	626.0	142.0								
Jan-98	279.0	70.7	87.7	103.0	7.0							
Dec-98	338.0	96.2	5.1	96.2	3.0		1.1					
Jun-99	409.0	37.6	1.4	23.2	0.9		1.4					
Oct-99	169.0	11.4	2.4	5.3			0.7					
Dec-99	150.0	13.0	2.3	5.0			0.8					
Feb-00	130.0	11.8	8.9	5.5	0.5		0.7					
Apr-00	64.0	6.8	2.7	3.8	1.0							
Sep-00	50.6	5.6	6.2	3.6	1.6							
Jan-01	48.8	4.9	2.9	3.1	0.7							
Apr-02	77.7	9.1	2.4	9.0	4.0							
Sep-04	69.0		6.7	10.0								
May-06	45.6	12.4	3.6	24.0	3.2							
Apr-07	82.8	14.9	8.5	17.6	5.0							
Jul-07	109.0	19.0	4.0	17.9	2.6							
Nov-07	100.0	17.8	9.1	20.2	4.8							
Apr-08	59.7	10.0	5.1	17.0	2.2							
Oct-08	118.0	22.4	1.5	19.7	2.2							

E12

SCREEN: 38.4-47.8; BORING DEPTH: 72

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 72

DATUM: 757.17, GROUND EL: 757.45, EASTING: 1499066, NORTHING: 657708

LOCATION: BEHIND FACILITY AT 105 JANNEY RD.

DATE	PCE	TCE	1,2 DCE	1,1,1 TCA	1,1 DCA	1,1,1,2 *	1,1 DCE	1,2 DCA				
Jul-91	785.0	519.0	257.0	483.0	32.0	5.6	7.0	2.4				

Mar-94	1,050.0	253.0		267.0	16.8							
Mar-96	520.0	141.0	55.5	109.0	7.6	2.4	1.2					
Oct-96	748.0	152.0	70.0	14.1	9.9		1.6	0.8				
Feb-97	547.0	371.0	253.1	391.0	14.6	2.6						
Jun-97	434.0	137.0	85.4	150.0	27.0							
Sep-97	316.0	58.4	15.1	36.6								
Jan-98	330.0	58.5	6.7	23.2	1.4							
Jan-99	372.0	21.7	1.1	10.0		1.5						
Jun-99	257.0	37.5	2.9	11.5	1.1	1.0	0.8					
Oct-99	41.3	4.7		1.1								
Dec-99	205	10.5		4.1	0.5	0.7						
Feb-00	30.7	11.4	1.1	6.6	1.1	0.8						
Apr-00	84.7	6.2	0.6	3.0	0.5	0.5						
Sep-00	19.5	1.2		0.6								
Jan-01	57.3			4.0	2.0							
Apr-02	92.6	9.4	2.6	8.8	2.9							
Sep-03	46.8	12.7	8.8	19.2	21.5							
Sep-04	150.0			21.0								
May-06	118.0	21.1	1.3	21.3	2.2							
Apr-07	103.0	20.0	2.1	21.7	2.3	1.1						
Jul-07	124.0	23.8	1.5	20.1	1.8							
Nov-07	114.0	23.4	2.5	26.7	2.8							
Apr-08	118.0	20.9	5.0	20.9	4.9							
Oct-08	136.0	28.6	2.9	31.8	3.7							

E13

SCREEN: 39.2-48.8; BORING DEPTH: 72.5

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 72.5

DATUM: 756.48, GROUND EL: 756.69, EASTING: 1498898, NORTHING: 657690

LOCATION: E OF FACILITY AT 131 JANNEY RD.

DATE	PCE	TCE	1,2 DCE	1,1 DCE	1,1,1 TCA	1,1 DCA						
Jul-91	4.2	30.8	2.9	7.5	391.0	41.6						
Mar-96	26.6	28.5	2.7	3.7	200.0	38.8						
Oct-96	32.4	18.2	2.0	3.4	201.0	38.5						
Jun-97	17.4	18.4	0.9	3.6	159.0	13.3						
Dec-98	26.8	36.1	2.8		56.8							

[illegible]

E14

SCREEN: 35.1-44.7; BORING DEPTH: 72

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 72

DATUM: 757.39, GROUND EL: 757.7, EASTING: 1499064, NORTHING: 657608

LOCATION: BEHIND FACILITY AT 105 JANNEY RD.

[illegible]

Jan-01	46.9	1.8	0.7									
Apr-02	150.0	11.3	9.5	2.9	0.5							
Sep-03	64.4	11.4	13.8	7.9								
Sep-04	250.0		13.0									
May-06	104.0	19.8	13.3	1.4								
Apr-07	137.0	17.8	8.7		1.4							
Jul-07	142.0	21.4	9.7	1.3	1.2							
Nov-07	138.0	21.2	14.0	1.6	1.1							
Apr-08	140.0	18.4	14.0	2.9								
Oct-08	142.0	22.9	14.0	1.8								

E15

SCREEN: 39.1-48.5; BORING DEPTH: 63

LOW PERMEABILITY DEPOSITS: UNCONFINED TO 63

DATUM: 756.7, GROUND EL: 756.96, EASTING: 1499054, NORTHING: 657250

LOCATION: N SIDE ROW AT 55 JANNEY RD.

DATE	TCE	1,2 DCE	1,1 DCE	1,1,1 TCA	1,1 DCA	PCE						
Jul-91		4.8	1.6	30.5	23.3							
Sep-96	22.9	4.6	1.3	49.6	10.4							
Mar-97	16.4	3.9	1.1	43.7	10.2							
Jun-97		2.1	1.3	22.5	7.9	7.5						
Jun-99	10.3	1.7	0.5	20.7	7.2							
Oct-99	26.7	2.4	1.5	48.2	12.1							
Dec-99	28.3	2.3	2.0	53.0	13.4							
Feb-00	29.0	2.4	2.5	52.8	13.8							
Apr-00	29.0	2.4	2.7	46.0	14.9							
Jan-01	33.0	3.0	4.3	61.0	14.4							
Apr-02	63.1	2.9	4.7	97.4	19.5							
Sep-03	83.0	2.2	4.4	90.4	19.8							
Sep-04	48.0			60.0	16.0							
May-06	20.6			46.4	6.4							
Apr-07	94.0	2.3	4.1	75.7	20.7							
Jul-07	108.0	2.6	4.5	90.1	33.5							
Nov-07	131.0	2.4	6.0	116.0	25.5							
Apr-08	80.0	1.8	3.2	58.9	19.1							
Oct-08	62.1	1.5	2.2	42.7	13.8							

9/2/04	12.0	11.0										
5/2/06	11.8	1.3	7.2	1.3								
4/18/07	12.6	9.8	5.2									
7/16/07	14.0	5.5	6.6	2.2								
11/5/07	25.5	25.5	5.2	1.4	1.0							
4/28/08	12.0	3.0	6.3	1.2								
10/3/08	11.4	5.5	6.2	1.3								

E18

SCREEN: 36.9-46.3; BORING DEPTH: 70

LOW PERMEABILITY DEPOSITS: 30.5-34

DATUM: 757.17, GROUND EL: 758.14, EASTING: 1499143.357, NORTHING: 658095.105

LOCATION: N SIDE ROW AT 121 COMMERCE PARK DR.

DATE	1,1,1 TCA	PCE	1,1 DCA	TCE								
8/31/04	99.0	22.0	7.6									
9/2/04	49.0	20.0										
5/2/06	34.9	68.2		11.0								
4/18/07	20.0	12.2		6.3								
7/19/07	9.0	19.6		4.4								
11/5/07	20.0	18.0		7.1								
4/28/08	18.6	17.0		6.2								
10/3/08	19.5	11.3		7.3								

E19

SCREEN: 36.7-46.1; BORING DEPTH: 56

LOW PERMEABILITY DEPOSITS: 25-33.5, 55-56

DATUM: 758.11, GROUND EL: 758.92, EASTING: 1499039.177, NORTHING: 658180.279

LOCATION: N SIDE ROW AT 121 COMMERCE PARK DR.

DATE	VC	PCE	1,1 DCA	CF	1,2 DCE							
8/31/04												
9/2/04												
5/2/06				1.5								
4/18/07			1.5									
7/19/07	18.8	1.0	1.3		4.8							
11/5/07		1.7	1.6		1.8							

4/28/08												
10/3/08		1.3										
G4												
SCREEN: 55.1-64.5; BORING DEPTH: 78												
LOW PERMEABILITY DEPOSITS: 78+												
DATUM: 753.77, GROUND EL: 754.33, EASTING: 1498384.706, NORTHING: 655889.908												
LOCATION: GLOBE MOTORS PARKING LOT, 2275 STANLEY AV. (LOT IS OFF KUNTZ RD.)												
DATE	1,1,1 TCA	TCE	1,2 DCE	1,1 DCA	1,1 DCE							
8/31/04	99.0	82.0		8.5								
4/18/07	89.4	142.0	3.3	6.4	4.7							
7/19/07	81.5	133.0	3.5	5.4	3.1							
11/6/07	10.7	7.5	14.7	11.0								
4/30/08	76.2	140.0	4.0	5.3	3.8							
10/2/08	79.8	137.0	4.9	6.0	4.8							
G3D												
SCREEN: 130-140; BORING DEPTH: 150												
LOW PERMEABILITY DEPOSITS: 66-85, 147-150+												
DATUM: 741.73, GROUND EL: 742.73, EASTING: 1498200.830, NORTHING: 655594.040												
LOCATION: SE CORNER OF GLOBE MOTORS PROPERTY AT 2275 STANLEY AV. & ADJACENT TO MW71S												
DATE	PCE	TCE										
KE1D												
SCREEN: 140-150; BORING DEPTH: 267												
LOW PERMEABILITY DEPOSITS: 90-99, OTHERWISE UNCONFINED TO BEDROCK @ 267												
DATUM: 754.62, GROUND EL: 755.41, EASTING: 1498191.700, NORTHING: 658033.300												
LOCATION: AT LOT NEXT TO 201 JANNEY RD. & CLOSE TO ROW												
DATE	PCE	TCE										
PG3												

[illegible]

EXHIBIT D

[illegible]

[illegible]

WATER LEVELS(3/93-1/05): AVG 36.82 (726.24), RANGE 25.28-52.90 (737.78 (1/05)-710.16 (1/00))												
DATE	PCE	TCE	1,2 DCA	1,2 DCE	1,1,1 TCA	1,1 DCA	1,2,4 TMB	1,3,5 TMB	1,1 DCE	1,1,2 TCA	CT	
9/13/93		7.5		0.8	173.0	29.5	1.1	0.7				
11/22/93		2.1		0.6	30.9	21.6						
3/17/94		3.4		0.8	80.7	35.4						
9/6/94		6.5			96.6	42.6						
12/5/94	1.4	10.0			88.2	33.9						
8/24/95		6.1		0.6	96.7	25.1						
4/25/96		7.1		0.5	126.6	18.1						
9/16/97		7.6		0.6	84.6	34.6			0.2	0.4		
3/18/98		5.9		0.5	77.7	15.0				0.3		
7/9/98		6.6		0.4		21.4				0.3		
2/24/99		4.7			62.7	19.7						
7/7/99		4.4			61.3	12.9						
12/21/99		3.6			48.2	14.4						
2/23/00		2.2			43.4	12.5						
5/23/00		1.6			51.0	9.9						
1/16/01		4.4			58.0	5.0						
8/6/01		2.7	0.3		33.3	4.0					6.7	
3/21/02		2.5			42.1	4.0					5.2	
8/19/02		1.5			40.7	3.2					4.8	
11/11/02		2.9			36.3	3.5					4.4	
2/11/03		4.2			19.8	2.5					5.3	
7/16/03		3.1			39.1	2.6					4.4	
12/11/03		1.5			42.0	2.5			0.8		4.9	
1/5/04		1.0			37.2	4.6					4.0	
4/15/04		1.2			51.8	3.0					4.2	
11/8/04		1.4			36.8	2.2					3.6	
2/7/05		0.9			27.0	1.5					3.6	
4/6/05		0.9			30.9	1.9					4.2	
7/7/05		1.3			27.5	1.6			0.3			
11/7/05		1.1			29.8	1.7						
1/11/06		0.8			27.1	1.7						
4/10/06		0.9			25.7	1.5						
8/28/06		1.2			31.2	2.6						
10/10/06		1.4			33.6	3.1						
1/10/07		1.6			41.2	3.9						

5/21/07		3.0			43.2	3.9						
7/11/07		3.2			50.1	4.4						
3/6/08		5.3		1.0	32.8	9.5						
7/1/08		2.4			38.3	3.5						
11/19/08		3.7			41.6	3.2						
2/5/09		5.0			45.3	2.5						
MW48D												
SCREEN: 91.1-100.7 (CONFINED); BORING DEPTH: 152												
LOW PERMEABILITY DEPOSITS: 35-36, 41-51, 60-65												
DATUM: 764.11, GRND EL: 761.45, EASTING: 1499172.821, NORTHING: 658632.555												
LOCATION: N SIDE OF HEID AV, ACROSS FROM SPECIALTY MACHINE, INC.												
RECEPTORS: SW MIAMI WF, PWs 10R, 12R, 14R, 15R												
FLOW DIRECTION: VARIABLE FROM THE NW TO THE NE												
WATER LEVELS(3/93-1/05): AVG 37.99 (726.12), RANGE 26.45-54.20 (737.66 (1/05)-709.91(1/00))												
DATE	PCE	TCE	1,1 DCE	1,2, DCE	1,1,1 TCA	1,1 DCA	CT	VC	BEN	TOL		
9/13/93				0.9	60.9	16.3						
11/22/93		59.9		0.6	19.1	11.1						
3/17/94		112.4		1.9	49.2	16.1						
9/6/94		120.3	0.4	0.9	41.6	19.3						
12/5/94		110.8			32.6	18.5						
8/24/95		129.2		1.1	31.7	32.0	3.3					
4/25/96		85.9		1.6	36.5	50.4		0.2				
3/19/97		140.0	0.6	3.1	23.4	56.9						
9/16/97		127.9	0.6	3.3	21.4	36.3						
3/18/98		99.8	0.3	1.0	23.6	14.9	2.8					
7/9/98		88.8		0.5	26.6	10.1						
2/24/99		57.8			20.9	4.0	2.3					
7/7/99		55.3			22.5	4.6						
12/21/99		37.2			14.1	4.5			1.1	1.1		
2/23/00		33.8			14.4	4.0						
5/23/00		42.4			15.7	5.4	1.8					
8/6/01		44.6	0.3	1.8	12.6	19.0	1.7	0.3				
10/15/01		43.9		1.7	11.2	19.9	1.3					
1/16/01		43.5	12.9	0.9	14.4			0.4				

8/19/02		41.9		2.0	9.1	23.8	1.1					
11/11/02		39.1			6.5	26.0						
2/11/03		37.2			7.8	21.3						
7/16/03		46.2			7.2	26.3						
12/11/03		42.8	0.3	2.0	5.5	27.5	0.7	1.0				
12/29/03		38.6		1.8	5.3	24.5	0.6	0.9				
4/15/04		52.0		1.5	4.2	35.9	0.5					
11/8/04		51.5		1.7	3.3	27.2						
2/7/05		40.8										
4/6/05		41.6		2.2	4.5	26.9	0.4					
7/7/05		35.3		1.6	2.8	25.2						
11/7/05		40.4		2.1	3.3	27.9						
1/11/06		41.1		2.0	3.5	27.9						
4/10/06		45.5		2.0	3.7	28.6						
8/28/06		40.6		1.6	2.9	25.1						
10/10/06		37.7		1.5	2.8	21.8						
1/10/07		40.0		1.4	3.9	18.9						
5/21/07		35.0		1.0	5.0	10.9						
7/11/07		33.3		0.9	4.7	10.8						
3/6/08		37.2			2.8	2.0						
7/1/08		32.4		0.8	4.6	9.9						
11/19/08		30.9		0.4	5.9	7.8						
2/5/09		31.7		0.7	6.0	6.7						
MW49S												
SCREEN: 62.5-72.1 (CONFINED); BORING DEPTH: 160												
LOW PERMEABILITY DEPOSITS: 30-35, 40-45, 55-60, 75-87, 90-160+												
DATUM: 758.39, GRND EL: 759.15, EASTING: 1499399.397, NORTHING: 658911.803												
LOCATION: ON MCD LEVEE BEHIND PRECISION METAL (191 HEID AV)												
RECEPTORS: SW MIAMI WF PWs												
FLOW DIRECTION: VARIABLE FROM THE NW TO THE NE												
LEVELS(3/93-1/05): AVG=32.05 (726.34), RANGE=21.10-43.70 (737.29 (6/97)-714.69 (2/95))												
DATE	PCE	TCE	DCBEN	CMETH	1,1,1 TCA	1,1 DCA	1,2,4 TMB	1,3,5 TMB				
3/26/93												
11/23/93							0.3	0.3				

3/16/94		0.7	0.3				0.3	0.2				
8/22/95												
4/24/96				0.5								
3/19/97												
9/15/97												
3/12/98												
2/23/99												
7/8/99												
8/29/00												
7/18/01												
10/15/01												
8/22/02												
11/11/02												
7/10/03												
11/16/03												
1/8/04												
4/15/04												
8/16/04												
11/18/04												
2/7/05												
4/6/05												
7/7/05												
11/7/05												
1/11/06												
4/10/06												
11/16/06												
1/10/07												
5/22/07												
7/11/07												
5/13/08												
7/15/08												

MW50S

SCREEN: 62.3-71.9 (CONFINED); BORING DEPTH: SEE MW50D

LOW PERMEABILITY DEPOSITS: SEE MW50D

DATUM: 766.08, GRND EL: 766.67, EASTING: 1500928.113, NORTHING: 659151.848

LOCATION: ON MCD LEVEE BEHIND THE DAYTON WIRE FACILITY (HEID AV)									
RECEPTORS: S CENTRAL MIAMI WF, PRIMARILY PWs 8, 9R, 11R									
FLOW DIRECTION: VARIABLE FROM THE NW TO NE									
LEVELS(3/93-1/05): AVG=39.58 (726.5), RANGE=28.80-55.10 (737.28 (6/97)-710.98 (3/01))									
DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CA	VC	MTBE
3/26/93				11.7		1.4			
6/23/93									
11/23/93				6.6		0.7			
3/16/94				8.4		1.1			
9/7/94				5.6	0.6	1.4			
12/6/94	1.8			3.6	0.5	1.3	0.7		
3/14/95	0.8			4.9		1.4			
8/22/95				4.6	0.6	1.3			
4/24/96		0.5		5.9	1.2	2.1			
9/15/97		0.5		4.5	1.2	1.4			
3/17/98		0.5		9.0	0.5	1.9			
8/24/98		0.4		5.9	0.6	1.4			
7/8/99		0.4		5.5	0.6	1.4			
12/27/99		0.4		7.5	0.4	1.8		0.3	
1/2/01		0.5		10.1	0.6	1.9	0.3	0.3	
9/13/01		1.1		30.9	0.9	4.4	0.4	1.1	1.1
10/31/01		0.5		14.9	0.5	1.8		0.5	
8/22/02		0.6		15.5		1.8			
11/11/02		0.6		17.3		1.8			
7/10/03		0.6		16.8		16.0		0.4	
11/6/03		0.7		18.4	0.4	0.6		0.6	
1/5/04		0.5		13.8	0.3	1.4			
5/13/04		1.0		19.3	0.6	1.5			
11/8/04		0.7		14.1		1.0			
2/7/05		0.5		12.8	0.4	0.8			
5/10/05		0.7		8.2	0.5	0.8			
8/17/05		0.8		6.7	0.4	0.8			
11/17/05		1.0		8.1	0.6	1.0			
2/21/06		0.9		7.2	0.5	1.1			
5/10/06		1.0		9.3	0.5	1.2			
8/15/06		0.8		6.5	0.5	0.9			

11/16/06		1.0		7.3	0.5	1.1						
5/22/07		1.2		6.2	0.6	1.0						
8/8/07		1.2		7.0	0.5	1.1						
5/13/08		1.2		6.8	0.5	1.1						
7/15/08		1.5		7.7	0.6	1.5						
11/3/08		1.1		6.0		1.1						
3/9/09		1.5		7.6	0.5	1.2						

MW50D

SCREEN: 84.0-94.6 (CONFINED); BORING DEPTH: 152

LOW PERMEABILITY DEPOSITS: 42-55, 80-85, 95-145

DATUM: 765.96, GRND EL: 766.63, EASTING: 1500913.604, NORTHING: 659153.953

LOCATION: ON MCD LEVEE BEHIND THE DAYTON WIRE FACILITY (HEID AV)

RECEPTORS: S CENTRAL MIAMI WF, PRIMARILY PWs 8, 9R, 11R

FLOW DIRECTION: VARIABLE FROM NW TO NE

WATER LEVELS(3/93-1/05): AVG=39.71 (726.25), RANGE=28.60-54.90 (737.36 (6/97)-711.06 (3/01))

DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CA	VC				
3/26/93												
6/23/93												
11/23/93												
3/16/94												
3/14/95	0.5											
8/22/95								0.2				
4/24/96								0.5				
9/15/97				0.4								
3/17/98				0.5								
8/24/98												
2/23/99				0.4								
7/8/99				0.4								
12/27/99				0.6								
1/2/01				0.8								
9/13/01				0.6								
8/22/02				0.8								
11/11/02				1.0								
7/10/03				1.1								
11/16/03				0.9								

1/5/04				0.9								
5/13/04				1.3								
11/8/04				1.0								
2/7/05				0.9								
5/10/05				0.9								
8/17/05				0.9								
11/7/05				1.3								
2/21/06				1.1								
5/10/06				1.2								
8/15/06				1.1								
11/16/06				1.2								
5/22/07				1.4								
8/8/07				1.4								
5/13/08				1.5								
7/15/08				2.2								
11/3/08				1.4								
3/11/09				1.7								

MW61M (FM)

SCREEN: 60.9-70.3 (SEMI-CONFINED); BORING DEPTH: 103

LOW PERMEABILITY DEPOSITS: 22.5-23, 36.5-40 & 82-85

DATUM: 761.86, GROUND EL: 762.36, EASTING: NA, NORTHING: NA

LOCATION: CORNER OF CARLOTTA & HEID (SELECT TOOL & DIE, 60 HEID AV.)

RECEPTORS: MAINLY S CENTRAL MIAMI WF PWs

FLOW DIRECTION: VARIABLE TO THE NW

WATER LEVELS (10/99-1/05): AVG=35.24 (726.62), RANGE=23.17-47.70 (738.69 (1/05)-714.16 (3/01))

DATE	PCE	TCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CA	1,2,4tmb	VC	TOL	BEN	XY	MTBE
11/6/97	1.3	1.8	3.0	0.8	2.3							
2/16/00	3.2	4.7	24.7	1.3	1.8	0.5		0.5	0.5			
3/9/00	3.5	5.8	34.8	1.5	2.0			0.6				
6/8/00	4.4	6.8	33.1	1.4	2.5	0.5		0.4				
12/8/00	4.7	7.8	28.7	1.4	4.0							
3/22/01	9.4	8.8	27.4	1.1	1.4			0.5				1.7
5/10/01	7.8	7.3	28.0	1.0					0.8			
8/2/01	9.8	8.4	31.9	1.2	1.4			0.8				

1/28/02	10.2	7.3	32.4	1.0	2.2			0.3				
3/11/02	3.6	3.4	16.3	0.5	1.6		0.6		2.2	1.2	5.8	
8/19/02	16.1	9.7	41.2	1.6	3.7							
12/18/02	23.2	13.3	36.0	1.9	2.5			1.1				0.6
1/8/04	18.0	8.3	26.0	0.7	2.2							
5/13/04	21.6	10.0	20.7	1.2	2.4							
9/9/04	17.1	5.8	9.4	0.5	1.3							
11/10/04	19.3	7.2	10.6	0.8	1.4							
2/7/05	16.6	5.8	7.8	0.5	1.1							
5/10/05	15.9	5.3	4.3	0.8	0.9							
8/17/05	14.7	4.9	4.7	0.7								
11/30/05	19.4	5.8	6.7	0.8	1.8							
2/20/06	18.3	5.7	7.1	1.0	2.2							
6/22/06	18.7	5.8	7.1	0.8	2.0							
8/30/06	18.5	5.1	8.3	0.8	2.3							
4/23/07	13.1	4.1	9.1	0.7	1.8							
8/8/07	15.6	4.8	13.8	0.8	2.1							
7/2/08	12.6	5.1	11.3	0.7	1.8							
11/3/08	13.1	5.7	9.0	0.9	1.7							
3/10/09	15.1	6.0	12.9	0.9	1.9							

MW62S

SCREEN: 44.5-54.5 (CONFINED); BORING DEPTH: 70

LOW PERMEABILITY DEPOSITS: 37.5-43.5 & 67.5-68

DATUM: 758.80, GROUND EL: 755.83, EASTING: 1500081.817, NORTHING: 657706.782

LOCATION: PRESTON TRUCKING, 2039 KUNTZ RD., WELL IS S. OF ENTRANCE IN GRASS

RECEPTORS: S CENTRAL & SW PWs

FLOW DIRECTION: VARIABLE TO THE NW

WATER LEVELS (10/99-1/05): AVG=31.55 (727.25), RANGE=19.26-42.40 (739.54 (1/04)-716.40 (1/00 & 2/00))

DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	TOL	EBEN	XY	MTBE			
1/17/01					0.6							
8/2/01					0.5							
1/3/02					1.8							
2/6/03					0.5							
7/13/03					0.4							

1/7/04									5.1			
1/20/04					0.4							
4/15/04					0.3							
8/16/04												
10/13/04												
2/7/05												
5/10/05					0.3							
8/17/05					0.4							
12/20/05					0.4							
2/20/06					0.4							
5/10/06					0.4							
8/15/06												
11/16/06												
1/3/07												
5/22/07												
8/8/07												
7/1/08									1.0			
10/29/08												
11/14/08												

MW63S (FM)

SCREEN: 34-44 (SEMI-CONFINED); BORING DEPTH: 69

LOW PERMEABILITY DEPOSITS: 12-14.5, 16-26.5 & 30.5-32

DATUM: 754.09, GROUND EL: 754.57, EASTING: 1498485.521, NORTHING: 657321.548

LOCATION: CORDAGE PAPER, 66 JANNEY RD., WELL TO THE W. OF THE BLDG. TOWARDS THE BACK

RECEPTORS: S CENTRAL & SW PWs

FLOW DIRECTION: VARIABLE TO THE NORTH

WATER LEVELS (10/99-1/05): AVG=24.77 (729.32), RANGE=16.11-35.45 (737.98 (1/05)-718.64 (2/01))

DATE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CT	VC	1,2 DCA	CA			
7/22/97	20.8	1.3	4.1	111.0	61.4							
3/30/00	26.6	1.6	8.3	26.6	10.6							
6/8/00	17.9	1.1	3.9	94.4	24.6	10.3						
8/8/01	16.3	1.1	3.0	19.1	25.6	10.2	0.4					
12/6/01	13.7	0.8	2.5	56.2	31.4	6.9	0.3					
1/28/02	13.0	0.8	2.0	54.9	28.6							

6/5/02	14.1	0.6	2.0	54.1	31.3	6.6						
7/23/02	13.6	0.7	2.3	53.1	30.6	6.3						
11/13/02	12.9	0.6	2.0	43.4	31.5	5.2						
3/31/03	14.3	0.6	0.3	53.7	27.6	6.0	0.3					
7/15/03	16.0		1.8	54.0	31.6	6.0	0.3	31.6				
12/11/03	13.5	1.3	1.7	38.5	36.7	4.6	1.3					
1/20/04	12.2	0.9		35.4	29.6	4.0	0.6					
6/10/04	12.8	0.7	1.5	37.7	27.5							
9/21/04	12.4	0.4	1.4	41.2	36.6	4.4						
11/10/04	13.5	0.5	1.6	33.2	33.1	5.0						
3/30/05	12.9	0.4	1.6	28.2	34.2	3.8						
5/3/05	11.9	0.6	1.5	30.6	36.0							
8/25/05	10.5	1.0	1.3	23.3	35.9							
11/30/05	12.2	0.5	1.7	23.2	41.5							
2/2/06	11.8	0.4	1.6	20.4	40.5							
5/22/06	12.9	0.5	1.6	22.8	42.8							
8/23/06	11.9		1.6	20.5	43.7							
1/3/07	11.4	0.5	1.5	25.9	40.6							
4/23/07	12.0	0.5	1.4	26.8	37.4				0.5			
10/2/07	11.2	0.5	1.3	22.8	35.8							
5/28/08	11.2		1.4	21.7	29.4							
8/5/08	12.5		1.5	22.3	28.5							
11/19/08	11.6	0.5	1.5	24.1	30.4							
3/10/09	10.8	0.5	1.4	23.0	30.6							
MW64S (FM)												
SCREEN: 43.8-53.3 (UNCONFINED); BORING DEPTH: 59												
LOW PERMEABILITY DEPOSITS: 53-59+ (SILT)												
DATUM: 755.75, GROUND EL: 756.28, EASTING: 1498830.723, NORTHING: 657045.339												
LOCATION: CORDAGE PAPER, 66 JANNEY RD., WELL NEAR SE CORNER OF BLDG.												
RECEPTORS: S CENTRAL & SW PWs												
FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (10/99-1/05): AVG=26.94 (728.81), RANGE=17.55-37.00 (738.20 (1/05)-718.75 (2/00))												
DATE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CT	TOL	VC				
1/15/98	45.2	2.5	5.3	53.0	12.5							

2/15/00	21.6	1.6	8.0	24.6	11.3		0.7					
6/8/00	34.5	2.9	7.4	34.2	11.7	3.8						
1/18/01	42.3	4.2	9.2	51.9	15.4							
8/8/01	42.5	5.7	6.1	28.1	10.8	9.0						
12/20/01	94.4	6.4	6.8	92.0	13.5							
1/28/02	101.5	6.2	7.0	89.3	14.7							
6/5/02	134.7	6.7	5.8	98.3	15.3	12.7						
7/23/02	109.5	5.5	7.3	86.4	12.9	11.1						
11/13/02	140.1	5.2	7.2	84.5	15.6							
3/31/03	98.0	4.9	6.7	69.9	15.0	11.6						
7/15/03	224.3	5.6	7.2	145.8	17.9	17.2						
1/20/04	375.5	10.4	3.4	153.2	14.5	17.9		0.4				
6/10/04	326.0	6.4	3.2	170.0	14.5							
9/21/04	331.2	3.9	2.6	113.5	10.9	12.2						
11/10/04	321.1	6.8	3.9	131.8	11.5	13.7						
3/30/05	208.8	5.5	3.4	71.6	13.4	15.4						
5/3/05	276.9	6.0	2.5	108.6	11.1							
8/25/05	374.0	9.3	2.7	140.1	13.6							
11/30/05	355.5	7.3	3.9	136.6	14.3							
2/20/06	404.8	6.7	3.9	143.7	15.0							
5/22/06	139.9	6.7	3.6	132.1	13.9							
8/23/06	356.7	6.2	2.8	132.1	13.5							
1/3/07	355.4	4.7	3.3	135.9	12.7							
4/23/07	395.2	4.9	2.8	137.9	13.2							
10/2/07	359.9	5.0	3.8	126.3	12.5							
5/28/08	454.8	5.4	2.3	145.8	12.5							
7/23/08	415.3	5.1	2.4	128.9	11.3							
11/19/08	449.7	4.9	2.1	139.7	10.8							
3/11/09	418.9	4.7	2.9	124.9	12.0							

MW65S (FM)

SCREEN: 35-45 (UNCONFINED); BORING DEPTH: 74

LOW PERMEABILITY DEPOSITS: 51.5-54.5, 55.5-56, 57.5-59.5 & 62.5-64

DATUM: 756.70, GROUND EL: 757.20, EASTING: 1499021.056, NORTHING: 656855.349

LOCATION: BENJI. STEEL (S. PLANT), 1825 KUNTZ RD., W OF LOT IN GRASS

RECEPTORS: S CENTRAL & SW PWs

FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (10/99-1/05): AVG=26.71 (729.99), RANGE=17.68-34.62 (739.02 (1/05)-722.08 (4/01))												
DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	TOL	EBEN	XY			
12/2/97												
3/25/99	0.4	0.5		0.6								
8/1/01												
7/23/02												
11/13/02												
2/6/03												
9/22/03												
6/10/04												
9/2/04												
11/10/04												
3/30/05		0.4										
5/3/05		0.5										
8/25/05												
11/30/05												
2/20/06												
5/22/06												
8/23/06												
11/14/06												
4/23/07												
10/2/07												
5/28/08												
7/23/08		0.5										
MW66S (FM)												
SCREEN: 55-65 (UNCONFINED); BORING DEPTH: 80.5												
LOW PERMEABILITY DEPOSITS: 64.5-65 & 80-80.5+												
DATUM: 758.29, GROUND EL: 758.66, EASTING: 1499225.981, NORTHING: 656855.349												
LOCATION: BENJI. STEEL (S. PLANT), 1825 KUNTZ RD., WELL ON GRASS ISLE. @ ENTRANCE												
RECEPTORS: S CENTRAL & SW PWs												
FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (10/99-1/05): AVG=29.53 (728.76), RANGE=19.39-39.90 (738.90 (1/05)-718.39 (2/00))												
DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	TOL	EBEN	XY			

12/2/97												
3/25/99	0.6	1.1		0.5								
2/16/00												
8/8/01												
2/14/02												
2/6/03												
9/23/03												
1/8/04												
6/10/04												
9/2/04												
11/10/04												
3/30/05												
5/3/05												
9/21/05												
11/30/05												
2/20/06												
5/22/06												
8/23/06												
11/14/06												
4/23/07												
10/3/07												
5/28/08												
7/15/08												
MW67S (FM)												
SCREEN: 33.5-43.5 (SEMI-CONFINED); BORING DEPTH: 46												
LOW PERMEABILITY DEPOSITS: 23-28 & 31-33.5												
DATUM: 757.73, GROUND EL: 758.41, EASTING: 1497481.082, NORTHING: 656556.279												
LOCATION: IN BACK OF PHOENIX GROUP ALONG FENCE, ENTER THROUGH SECURITY												
RECEPTORS: S CENTRAL & SW PWs												
FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (4/00-1/05): AVG=26.95 (730.78), RANGE=14.42-33.25 (743.31 (6/04)-724.48 (4/00))												
DATE	1,1,1 TCA	TCE	1,1 DCE	1,2 DCE		1,1 DCA	TOL	EBEN	XY	PCE		
11/13/97	93.0	6.8	0.9	0.6		3.7						
9/20/01	1.4	1.2				0.7						

1/29/02	2.2	1.2		0.4		1.5						
3/4/04		2.3				1.6						
4/26/04	359.0	3.5										
9/2/04	432.0	5.1	23.3	0.5		1.6						
5/3/05	243.3	7.3	2.2			0.4						
8/25/05	627.8	8.3	22.5	5.3		4.2						
2/21/06	903.8	20.2	19.5	8.8		3.7						
7/11/06	450.9	17.6	7.1	4.1		2.0						
11/14/06	732.4	26.9	12.4	5.7		2.6						
5/23/07	687.9	44.0	8.6	3.3		1.8						
7/18/07	567.8	42.2	7.1	2.2		1.7						
7/2/08	494.7	34.8	8.7	2.3		2.6						
3/19/09	601.5	36.1	9.9	4.6		4.4						
MW68S (FM)												
SCREEN: 28-38 (UNCONFINED); BORING DEPTH: 40.5												
LOW PERMEABILITY DEPOSITS: UNC TO 40.5												
DATUM: 750.35, GROUND EL: 751.05, EASTING: 1498180.174, NORTHING: 656317.999												
LOCATION: PHOENIX GROUP ALONG S WALL OF BLDG, ENTER THROUGH SECURITY												
RECEPTORS: S CENTRAL & SW PWs												
FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (8/00-1/05): AVG=19.81 (730.54), RANGE=12.75-24.36 (737.60 (1/05)-725.99 (5/01))												
DATE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	CT	TOL	EBEN	XY	PCE		
11/13/97	23.6	3.6	1.0	156.0	17.3							
9/20/01	10.6	0.5		57.5	2.5							
1/29/02	9.6	0.7	0.3	49.7	5.4	6.4						
3/4/04	230.8				22.0							
4/26/04	189.6			95.6	9.9							
9/2/04	287.0	9.8	0.8	130.0	13.1							
5/3/05	509.5	1.9	0.8	99.8	4.8	4.8						
8/25/05	994.0	4.6	1.1	129.8	7.2							
2/21/06	539.4	1.7	1.5	99.2	8.5							
7/11/06	417.2	1.2	1.7	83.8	5.7							
11/14/06	409.7	1.4	2.3	79.0	8.6							
5/23/07	183.2	1.4	2.2	61.5	16.5							

FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (10/99-1/05): AVG=18.51 (729.33), RANGE=10.54-26.85 (737.3 (1/05)-720.99 (2/00))												
DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	TOL	EBEN	XY	VC		
9/18/97		5.6		2.1								
2/16/00		2.2		1.2								
4/25/00		1.5		1.2								
9/6/01		1.3		1.2			16.5					
2/12/02		1.4		1.1			16.6					
5/30/02		1.3		1.1			30.0					
8/14/03		1.5					31.6			1.3		
1/15/04		1.2		1.2			33.9					
5/13/04		1.4		1.3			12.4					
9/2/04		1.1		1.2			1.2					
5/26/05		1.1		1.0								
9/21/05		1.1		0.9								
5/22/06		1.2		0.8								
8/23/06		1.0		0.8								
11/14/06		1.1		0.8								
5/9/07		0.9		0.8								
10/3/07		0.8		0.7								
7/23/08		1.0		0.8								
MW71S (FM)												
SCREEN: 52.9-62.6 (UNCONFINED); BORING DEPTH: 70.5												
LOW PERMEABILITY DEPOSITS: 65.5-70.5+												
DATUM: 742.79, GROUND EL: 743.27, EASTING: 1498226.469, NORTHING: 655586.696												
LOCATION: SE CORNER OF PROPERTY AT 2275 STANLEY AV.												
RECEPTORS: S CENTRAL & SW PWs												
FLOW DIRECTION: VARIABLE TO THE NORTH												
WATER LEVELS (10/99-1/05): AVG=13.57 (729.22), RANGE=5.29-21.90 (737.5 (1/05)-720.89 (2/00))												
DATE	PCE	TCE	1,1 DCE	1,2 DCE	1,1,1 TCA	1,1 DCA	1,2 DCA	BEN	CF	1,1,2 TCA	CT	MTBE
9/18/97		199.0		111.9	286.0	19.0	0.8	0.6	1.4			
2/16/00		112.0	23.6	125.9	263.0	18.5	0.8	0.9	1.5			
3/9/00		183.4	22.5	154.7	248.0	18.1		0.7	1.4	0.4		
4/25/00		143.1	19.8	140.8	232.6	17.1	0.6	0.7	1.2			

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State of Ohio Environmental Protection Agency

Pages 18

STREET ADDRESS:

Lazarus Government Center
50 W. Town St., Suite 700
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049
Columbus, OH 43216-1049

Rec'd 5/5/09

May 01, 2009

RE: Ohio EPA Permit No.: 11N00267*DD
Facility Name: Gayston Corporation

Gayston Corporation
200 S Pioneer Boulevard
Springboro OH 45404

Ladies and Gentlemen:

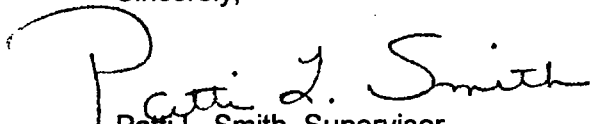
Transmitted herewith is one copy of the public notice, draft permit, and fact sheet if major permit in the above referenced matter.

The public has been invited to submit comments regarding this draft permit. If sufficient public interest is indicated, a public meeting will be held.

The permit as drafted will be issued as a final action unless the director revises the permit after consideration of all written comments received during the 30-day period following public notice and consideration of the record of a public meeting, if one is held, or unless the draft is disapproved by the Regional Administrator, U.S. Environmental Protection Agency.

You should note that a general condition of your permit states that issuance of a NPDES permit does not relieve you of the duty of complying with all applicable federal, state, and local laws, ordinances, and regulations.

Sincerely,


Patti L. Smith, Supervisor
Permit Processing Unit
Division of Surface Water

PLS/kep

Enclosure

CERTIFIED MAIL

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

Ohio EPA is an Equal Opportunity Employer

Question 7 e & f

Gayston Corporation
Hazardous Waste Disposal
55 Janney Road
Dayton, OH

ENVIRONMENTAL PROCESSING OHD000608588

Year Ending		1,1,1 TRI	PERC	STODDARD	Waste Oil	Waste Oil NOS
1981		18704 P	15929 P	7200 P		
1982		25155 P	13538			
1983		45628 P	17765			
1984		58577 P	43010 P			
1985		41997	70848		3080 P	2680 P
1986		34408	16100			
CLARK PRODUCTS						
OHO004274031						
1982				9720 P		
1983				15163 P		
1984				11858 P		
1985				7549 P		
1987					715 G	

[illegible]

F

CINCINNATI

Ques. 21

COMMERCIAL METAL
#105

BEHM QUARTZ
#131

HARLAN
#100

AIR CITY
#80

KESTER
#105

GAYSTON
#55

INTERCEPTOR WELL TAP

WELL

I1		PCE	TCE
1997		32	22
1998		12	19
1999		9	10
2000		6	15
2001		4	13
2002		7	11
2003		7	13
2004		8	15
2005		7	14
2006		8	15
2007		7	14
2008		8	15

MW2H		PCE	TCE
1997		66	30
1998		45	87
1999		38	40
2000		30	86
2001		4	9
2002		ND	ND
2003		ND	ND
2004		2	5
2005		2	7
2006		8	8
2007		16	16
2008		8	14

MW3H		PCE	TCE
1997		103	21
1998		70	37
1999		41	32
2000		50	93
2001		31	41
2002		15	4
2003		28	29
2004		28	29
2005		28	29
2006		28	29
2007		28	29
2008		28	29

MW106-S		PCE	TCE
1997		ND	ND
1998		ND	ND
1999		ND	ND
2000		ND	ND
2001		ND	ND
2002		ND	ND
2003		ND	ND
2004		ND	ND
2005		ND	ND
2006		ND	ND
2007		ND	ND
2008		ND	ND

MW1H		PCE	TCE
1997		3	13
1998		ND	ND
1999		ND	ND
2000		108	49
2001		136	31
2002		35	42
2003		74	31
2004		85	23
2005		47	21
2006		53	20
2007		51	17
2008		55	18

E11		PCE	TCE
1997		350	150
1998		280	100
1999		225	6
2000		47	4
2001		47	4
2002		65	3
2003			
2004			
2005			
2006			
2007			
2008			

E14		PCE	TCE
1997		425	84
1998		200	16
1999		40	ND
2000		24	3
2001		15	ND
2002		150	3
2003		35	3
2004			
2005			
2006			
2007			
2008			

E12		PCE	TCE
1997		407	112
1998		325	52
1999		100	6
2000		58	4
2001		50	ND
2002		60	4
2003		38	5
2004			
2005			
2006			
2007			
2008			

DW2		PCE	TCE
1997		953	131
1998		533	72
1999		405	21
2000		22	59
2001		118	ND
2002		121	7
2003		110	14
2004		150	8
2005		174	15
2006		90	10
2007		106	11
2008		83	11

MW2		PCE	TCE
1997		150	203
1998		112	137
1999		69	41
2000		34	28
2001		29	19
2002		24	16
2003		32	17
2004		45	21
2005		30	13
2006		28	11
2007		25	10
2008		23	9

JS1		PCE	TCE
1997		ND	ND
1998		ND	ND
1999		ND	ND
2000		99	32
2001		182	9
2002		136	18
2003		154	20
2004		210	22
2005		209	25
2006		194	21
2007		187	19
2008		181	17

E8		PCE	TCE
1997		4	4
1998		3	3
1999		1	1
2000		2	3
2001		3	ND
2002		3	6
2003		ND	ND
2004		ND	ND
2005		ND	ND
2006		ND	ND
2007		ND	ND
2008		ND	ND

E16		PCE	TCE
1991		ND	25
1995		3	30
1999		ND	25
2001		ND	47
2002		ND	170
2004		ND	160
2008		ND	137
2008		ND	103

E15		PCE	TCE
1997		ND	ND
1998		ND	30
1999		ND	35
2000		ND	65
2001		ND	ND
2002		ND	ND
2003		ND	ND
2004		85	ND
2005		ND	ND
2006		ND	ND
2007		0	73
2008		0	62

PCE		TCE
1997		ND
1998		ND
1999		ND
2000		ND
2001		ND
2002		ND
2003		ND
2004		ND
2005		ND
2006		ND
2007		ND
2008		ND

PCE		TCE
1997		ND
1998		ND
1999		ND
2000		ND
2001		ND
2002		ND
2003		ND
2004		ND
2005		ND
2006		ND
2007		ND
2008		ND

SCALE 1"=30'

PRIVILEGED AND CONFIDENTIAL,
ATTORNEY WORK PRODUCT

NOTE: RESULTS EXPRESSED AS MU/L(PPB)

PCE = TETRACHLOROETHENE
TCE = TRICHLOROETHENE

REMEDATION LEGEND

- EW SOIL VAPOR EXTRACTION WELL
- ASW AIR SPARGE WELL
- DZSW OZONE SPARGE WELL

MONITORING LEGEND

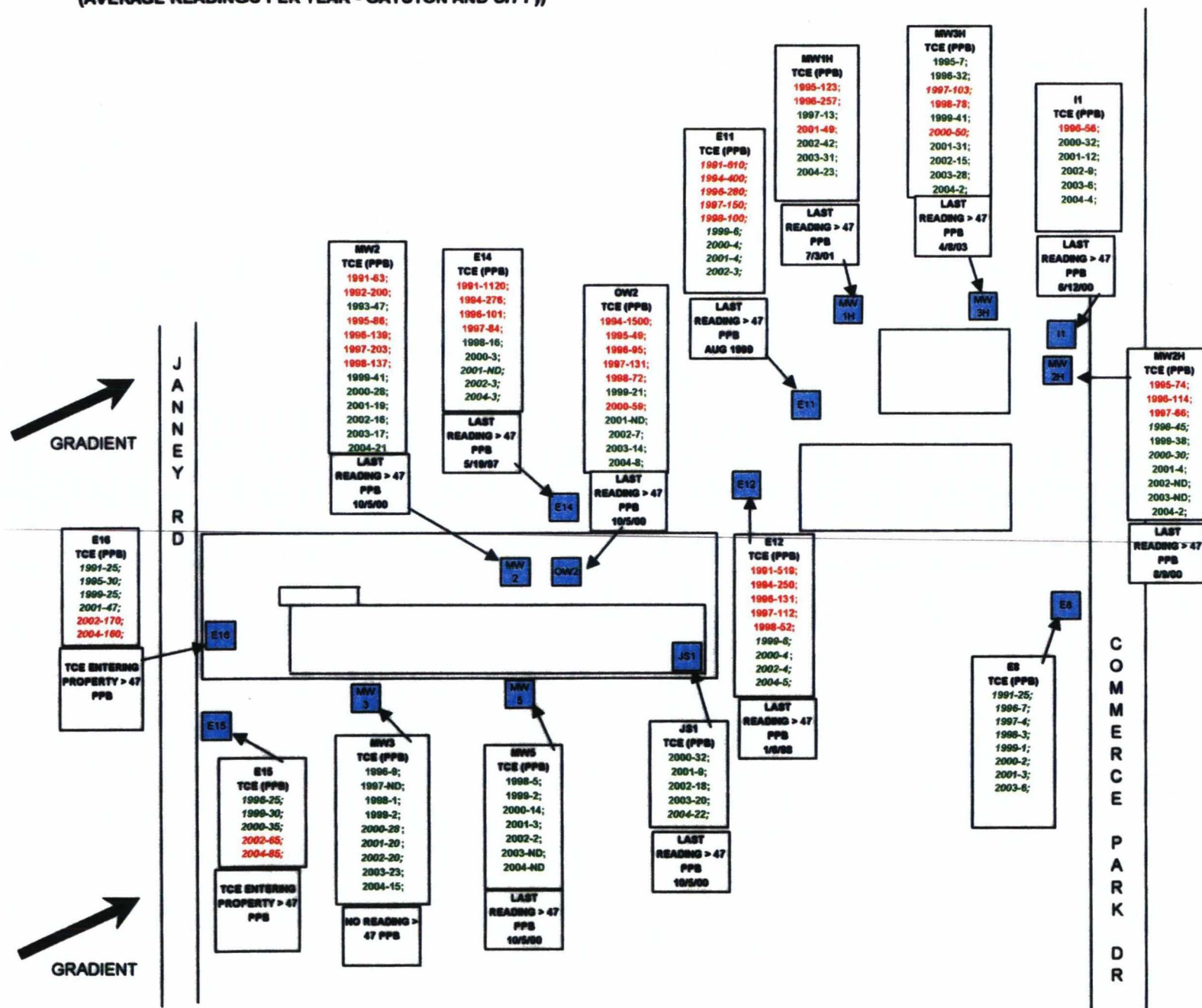
- MW - GAYSTON MONITORING WELL
- DW - OBSERVATION WELL
- PROD WELL - GAYSTON PRODUCTION WELL
- E - CITY MONITORING WELL

GAYSTON CORPORATION		REV	DRAWING NAME
200 PIONEER BLVD. SPRINGBORO, OHIO 45066		SIZE	D
(513) 746-8500 FAX (513) 746-2524		DATE	
DRAFTSMAN:	DRAFTSMAN	10/10/08	
ENGINEER:			DRAWING NUMBER
APPROVED BY:			SITEEVALBS100

2/17/05

TRICHLOROETHYLENE (TCE) LEVELS PER LOCATION AND TIME (AVERAGE READINGS PER YEAR - GAYSTON AND CITY)

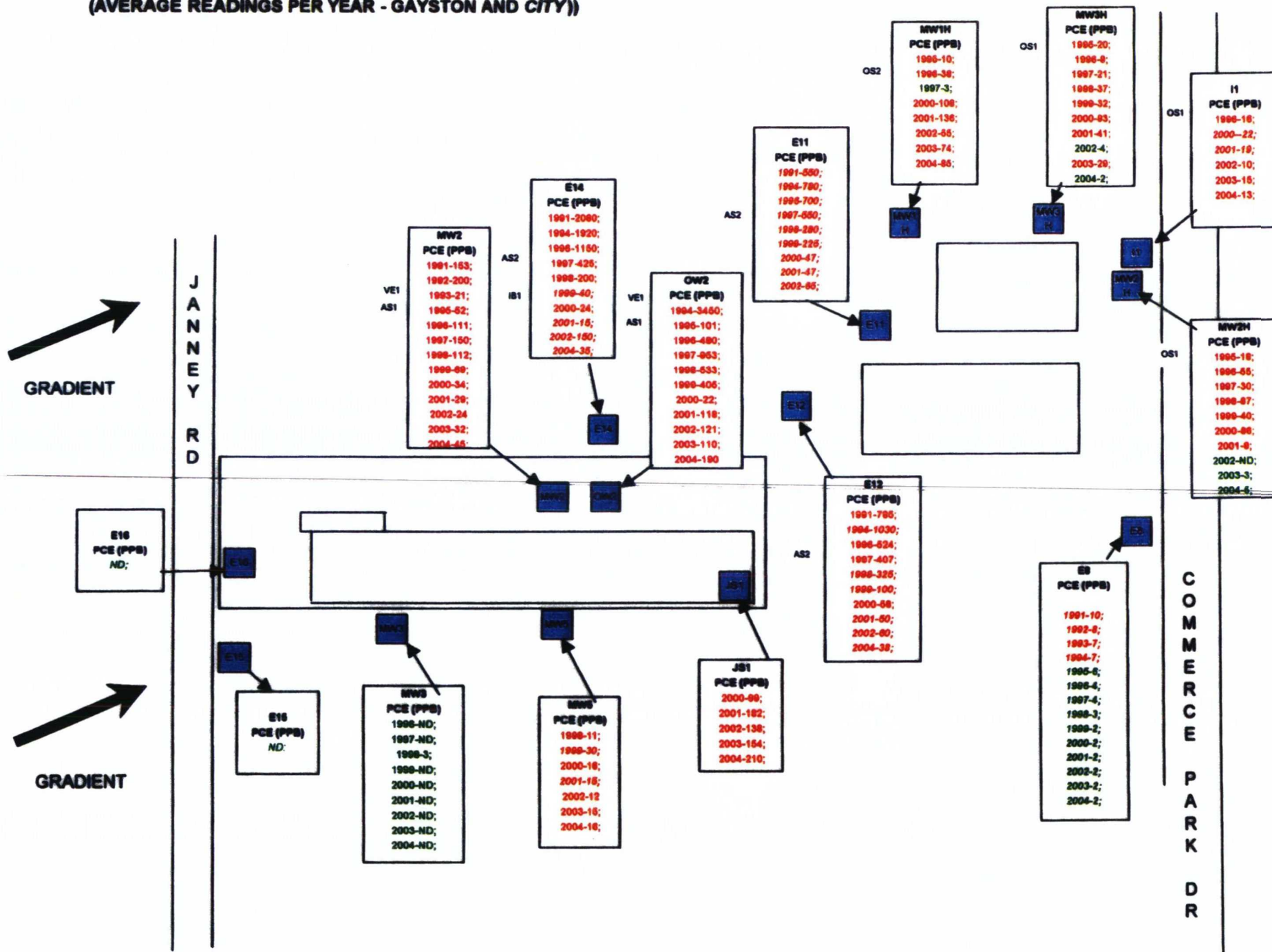
Ques. 21



2/17/05

TETRACHLOROETHENE (PCE) LEVELS PER LOCATION AND TIME (AVERAGE READINGS PER YEAR - GAYSTON AND CITY))

Ques. 21



**PROPOSAL FOR A
GROUND WATER CONTAMINATION
INTERCEPT SYSTEM**

Project No. 0417.08

October 11, 1995

Prepared For

GAYSTON CORPORATION
Springboro, Ohio

Prepared By

THE PAYNE FIRM, INC.
Cincinnati, Ohio

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1.0 INTRODUCTION

The purpose of this proposal is to outline a plan for the installation and implementation of a ground water sparging system to replace the existing City of Dayton intercept well located on Commerce Drive, Dayton, Ohio. The objective of this work is to prevent migration of contamination from Gayston Corporation (Gayston) to the Miami South Wellfield in a cost-effective manner. This proposal includes background information, a conceptual design, limited detailed designs and specifications, a monitoring plan, contingency plan, and implementation schedule. The detailed designs and specifications are limited to elements that can be designed without site-specific information. More details will be provided in subsequent plans as additional information becomes available during the staged implementation.

It is anticipated that since the proposed sparging system will replace the City of Dayton's intercept well, the City of Dayton will work closely with Gayston and their contractors on this project. A project team should be formed so that the channels of information transfer and authority are clear at the outset. Formation of a project team will expedite the installation and implementation of the proposed system by avoiding a lengthy review and approval process.

2.0 BACKGROUND

Soil and ground water contamination has been found on the Gayston property at 55 Janney Road. The main contaminants are tetrachloroethylene (PCE), trichloroethylene (TCE), and 1,1,1-trichloroethane (1,1,1-TCA). Other breakdown products of these compounds have been found in lower concentrations. Gayston has implemented soil and ground water remediation at their property to address the source area. Contamination in the ground water apparently emanating from the Gayston property has been identified beyond the property boundary. The City of Dayton has installed an intercept well downgradient of the Gayston property to capture contamination before it enters the wellfield.

Investigations concerning the ground water contamination have been limited to the investigation by the City of Dayton to determine the source of contamination and the Gayston investigations under Findings and Orders of the Ohio EPA to develop the information necessary to implement the source removal. Nature and extent of contamination in the source area has been fully defined as required by the Findings and Orders, but information on the subsurface conditions between the intercept well and

the Gayston property is limited. Thus, the proposed implementation and design of the sparging system is comprised of three steps. In each step the system design will incorporate additional site-specific information to achieve the most efficient and economical system design.

The aquifer conditions in the area are characteristic of the Great Miami River Buried Valley Aquifer System. The aquifer system is made up of very porous and highly permeable sand and gravel formations separated by finer-grained lenses, the latter of which are often discontinuous. At the Gayston property a thin (<0.5 foot) clay lense was found in the southern and western soil borings at a depth of about 50 feet. However, the lense was not found in some of the borings on the northeastern part of the property. Although the soil sampling undertaken in the City of Dayton investigation was mostly limited to examination of auger cuttings, the clay lense does not appear to be present in the sampling locations between Gayston and the intercept well. Clay lenses appear to be more consistent north of the intercept well, but at different elevations than at the Gayston property.

The contaminants of concern are volatile organic compounds (VOCs) that respond to aeration technologies, according to published information and knowledgeable contractors contacted concerning this project. The air sparging system installed at the Gayston property has been in operation for about six months and the monitoring results indicate the technology is effective.

3.0 CONCEPTUAL DESIGN

The intercept well prevents the migration of contamination to the wellfield by drawing contaminated ground water toward the well, thereby creating a hydraulic barrier to migration towards the wellfield. Inefficiencies associated with this technique are mainly associated with the volume of wastewater generated and low rates of contaminant recovery. The proposed system is an in-situ treatment system which removes contamination from the ground water as the ground water flows through the treatment area. This technology requires no aboveground treatment of recovered water or vapors. The treatment in the proposed system is by sparging with ozone. Ozone sparging is the injection of ozone into the ground water at depth below a layer of contaminated ground water. As the ozone rises to the surface of the ground water, volatile compounds de-gas into the ozone where the chlorinated hydrocarbons are destroyed. The destruction of the contaminants by ozone makes contaminated vapor capture and treatment system unnecessary.

Although ozone sparging for ground water restoration is a relatively new technology, air sparging has a more extensive application history. Air sparging has been demonstrated to be effective at reducing contamination to acceptable levels at many sites similar to the subject site. The preliminary results of the air sparging on the Gayston property also show favorable results.

Ozone sparging has been demonstrated in bench-scale and pilot studies, and it has been applied and demonstrated successfully at several field applications. But because it is a relatively new technology,

a pilot study and phased implementation is proposed to verify its effectiveness and optimize the operating design.

Based on preliminary discussions with remediation contractors with experience in ozone sparging, the proposed treatment zone is comprised of three sparging wells. The wells will be side by side perpendicular to the ground water flow direction as shown in Figure 1. The sparge wells will be placed so that the treatment radii overlap. The actual locations will be determined after completion of a pilot study to assess the actual radius of influence.

To increase the effective radius of the spargers, a circulating pumping system will be used to draw water into the well near the water table surface and pump the water out of the bottom of the well. This circulation of water has been demonstrated as an effective way to increase the dispersion of ozone into the aquifer and increase the effective treatment radius of the sparging wells.

The ozone will be generated on site and injected directly without storage of the ozone. All appropriate safety precautions will be taken to be protective of both the contractor's workers and the public.

All piping and utility conduits will be underground to minimize disruption of the site use and the potential for damage. All sparging wells and monitoring wells will have locking covers cemented in place.

4.0 DETAILED DESIGN AND SPECIFICATIONS

The implementation will be in three phases to determine the site-specific design characteristics and optimal operating conditions for the sparging system. The first phase is a pilot study to determine the site-specific characteristics necessary to design the full scale system. The second stage is the design and installation of the full scale system. The third stage is the monitoring and optimization of the sparging system operation. Each of these three stages of implementation is described in more detail below.

4.1 Phase I Pilot Study

The objective of the pilot study is to determine the site geological characteristics in the location of the proposed installation and the effective treatment radius of an ozone sparger. The pilot study will include the installation of one sparger located as shown on Figure 2. Four monitoring wells will also be installed at the locations shown on Figure 2. The monitoring wells will be installed first with continuous split-barrel sampling to determine the detailed stratigraphy prior to installing the spargers. It is anticipated that the final full-scale design will be an expansion of the pilot study incorporating the sparge well and the monitoring wells in the final design.

The pilot study will be operated for a period of 30 days with ozone injection at various pressures. The pressure variation will be used to determine the optimal injection pressure. The recirculating pumping rate will also be tested to determine the optimal pumping rate.

Ground water samples will be taken from the sparging well and the monitoring wells on a weekly basis during the pilot study to determine the effective radius of the sparger by the rate of contaminant destruction.

4.2 Phase II Full Scale Design and Implementation

After the pilot study is completed, the monitoring data will be used to design the full scale system. Based on the monitoring results and the observations made during the pilot study, a detailed full scale design plan including an operation, maintenance and monitoring plan will be completed by the remediation contractor. The operation, maintenance and monitoring plan will include a contingency plan that will address the appropriate response actions to take if a system failure is detected or suspected. The full scale plan will be approved by the project team, including representation from the City of Dayton prior to implementation. After the full-scale design plan is approved by the project team, the remediation contractor will install the full-scale system.

Beginning at the full-scale system startup and during the period of close monitoring, the remediation contractor will take appropriate steps to optimize the operation of the sparging system. These measures will mainly consist of varying the ozone injection rate and the circulating pumping rate.

4.3 Phase III System Optimization

The system operation will be monitored closely during startup to verify the operation achieves the anticipated results. The ground water sampling will be reduced to a monthly frequency for the first year of operation and quarterly after the first year. If there are concerns about the system effectiveness, the monitoring frequency will be increased.

Once the contaminant level within the treatment zone is reduced to acceptable contaminant levels, the City of Dayton's intercept well will be turned off. The intercept well will remain in place as part of the contingency backup system as long as the operation of the sparging system is necessary to prevent the spread of contamination from Gayston's property to the wellfield.

5.0 MONITORING PLAN

The purpose of the monitoring plan is to verify the effective and efficient operation of the sparging system in preventing contamination in the ground water from migrating from the Gayston property to the Miami South Wellfield. Based on the monitoring results, the sparge system will continue normal

operation, will be adjusted or augmented to improve the sparging system operation, or will be discontinued when the contamination apparently emanating from the Gayston property has been removed to the MCLs of the contaminants. The sparging system will not be used to remove residual background contamination after the plume emanating from Gayston is removed.

The focus of the monitoring will be on verification that the contaminant levels are being reduced to acceptable levels as ground water flows through the radius of influence of the sparge wells. The ground water monitoring will use two existing monitoring wells installed by the City of Dayton (E-11 and E-10) and four new monitoring wells to be installed. The monitoring well locations are shown on Figure 1.

The four new monitoring wells will be installed in and around the sparging system to monitor the contaminant concentrations in the ground water within and beyond the sparging zone. It is anticipated that the initial concentrations will be elevated, but will be reduced as the sparge system operates. Once the initial concentration is reduced, the monitoring results in these wells will verify the sparging system is removing the contaminants from the ground water as it enters the treatment area.

The monitoring wells adjacent to the outside edge of the spargers will verify that contaminated ground water is not migrating around the sides of the treatment system.

The monitoring well downgradient of the sparging system will verify that the contamination has been intercepted by the sparging system and removed. There will be some lag in the time that the sparging system operation begins and the results are verified in the downgradient monitoring well because of the slow ground water flow rate.

As long as the current treatment system on the Gayston property continues to operate, the concentrations on site will be monitored as part of the Ohio EPA's Findings and Orders. Once cleanup goals are achieved on site, monitoring wells located off site will be monitored to determine the levels of contamination between the Gayston property source area and the sparging system. As the cleanup continues, the monitoring results will determine when the contamination has been removed and the sparging system is no longer needed. The sparging system will continue operation as long as the monitoring indicates contamination emanating from the Gayston site may migrate to the wellfield. The sparging system operation will be terminated if the residual levels of contamination are attributable to background conditions.

6.0 CONTINGENCY PLAN

The proposed plan includes development of a contingency plan for implementation if the monitoring results indicate that the proposed sparging system is not operating effectively. The contingency plan will be fully developed and included in the final operating plan for the full-scale system. The

contingency responses are considered adequate to prevent the migration of contamination from the Gayston site to the Miami North Wellfield. Although not all contingencies can be anticipated, additional contingency plans will be added to the operation and maintenance plan as additional information is available. The main types of contingencies and general responses are briefly described below.

6.1 Contingency 1 System Shutdown

The system operation will be monitored on a weekly basis and it may be found to have automatically shut itself down. Automatic shutdowns will be built into the operation as a safety feature. If the field technician finds this condition, the technician will troubleshoot the system and try to restart the system. If the field technician is unable to identify the cause of the shutdown or unable to restart the system, more qualified assistance will be called to fix the problem.

6.2 Contingency 2 System Ineffectiveness

If the ground water monitoring results show that contamination is not being reduced to acceptable levels as the ground water passes through the sparging system, the system operation will be adjusted to increase the effectiveness. This contingency is not likely once the full-scale system is in operation, because the effectiveness will have been demonstrated during the implementation of the pilot study. However, with changing flow conditions it may be necessary to adjust ozone flow rates to maximize the treatment. If it is found that the contamination is by-passing the treatment system, it is possible that additional sparge points may be necessary to complete the interception of the contamination.

6.3 Contingency 3 Technology Failure

If the monitoring demonstrates that, despite the pilot study results, the sparging system at full-scale operation cannot reduce the contamination to acceptable levels, a backup system will be implemented to complete the interception of contamination. The City of Dayton intercept well will remain in place and in operational condition to serve as a backup system if the contamination breakthrough is found in the monitoring well downgradient of the sparging system, and efforts to improve the effectiveness of the sparge system are not successful.

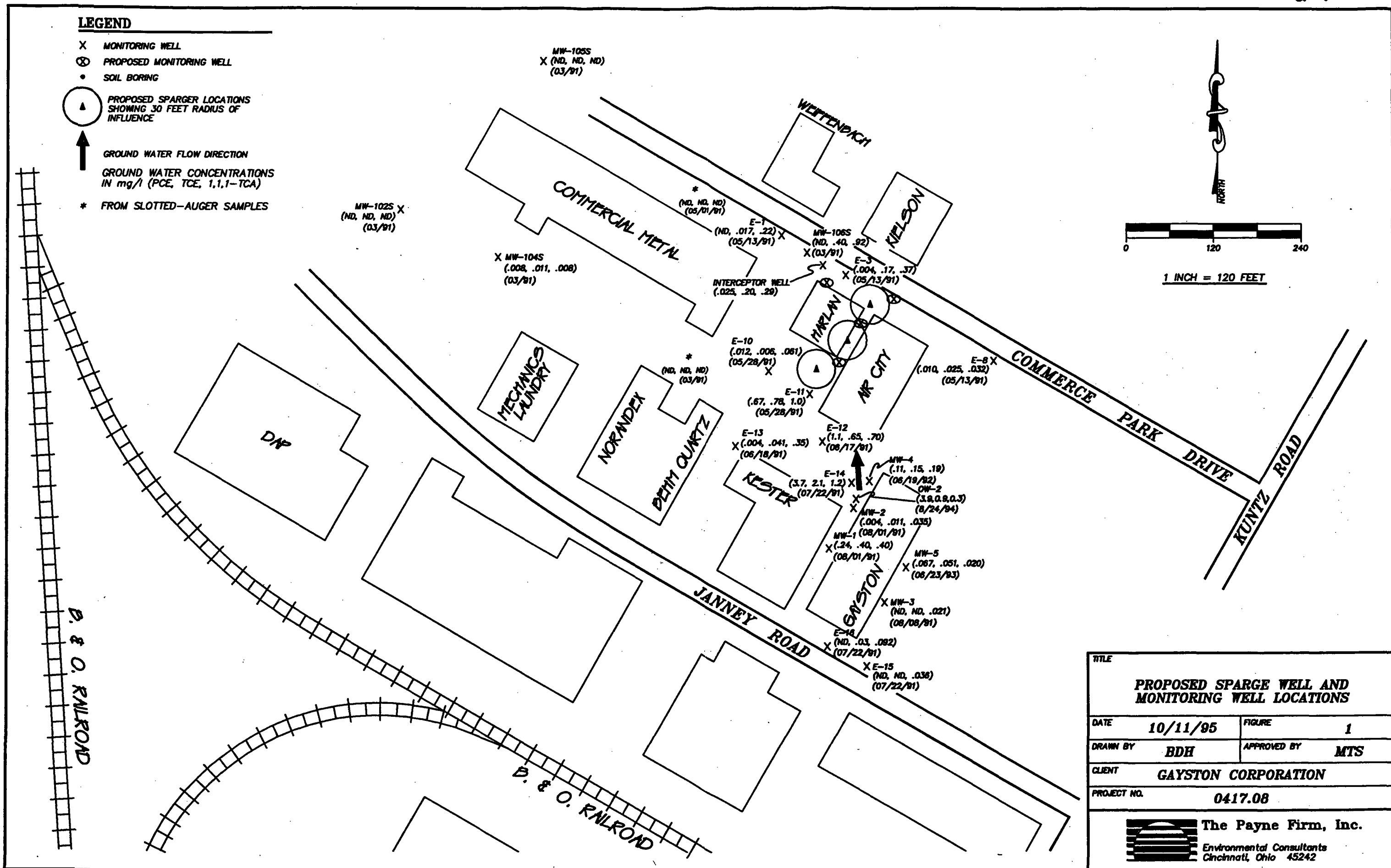
Resuming operation of the intercept well is considered a temporary measure to prevent the spread of contamination. Other steps will be taken or technologies implemented to achieve containment at better cost efficiencies so that the intercept well could be turned of again and serve as a backup system.


7.0 IMPLEMENTATION SCHEDULE

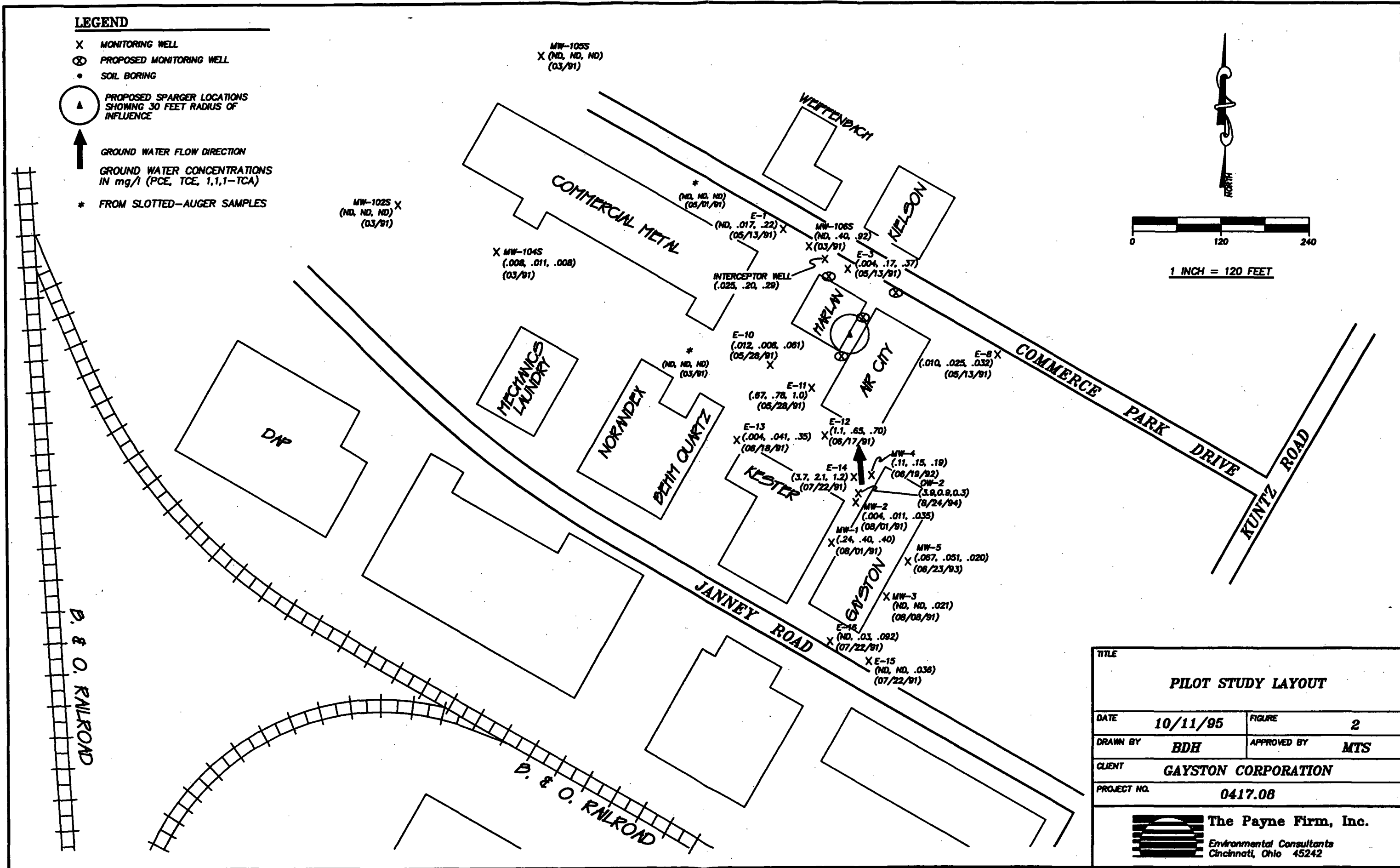
Once this proposal is approved by the City of Dayton and Gayston Corporation, remediation contractors with experience in ozone sparging will be contacted for competitive bids. The competitive bidding process will be expedited so that a contractor can be selected within three weeks of approval of the proposal. The installation and equipment procurement should be initiated immediately upon selecting the contractor. It is anticipated that the initial installation and implementation of the pilot study will begin within six weeks of proposal approval.


LEGEND

- X MONITORING WELL
- ⊗ PROPOSED MONITORING WELL
- SOIL BORING
- ▲ PROPOSED SPARGER LOCATIONS
SHOWING 30 FEET RADIUS OF
INFLUENCE
- ↑ GROUND WATER FLOW DIRECTION
- GROUND WATER CONCENTRATIONS
IN mg/l (PCE, TCE, 1,1,1-TCA)
- * FROM SLOTTED-AUGER SAMPLES



TITLE	
PROPOSED SPARGE WELL AND MONITORING WELL LOCATIONS	
DATE	10/11/95
FIGURE	1
DRAWN BY	BDH
APPROVED BY	MTS
CLIENT	GAYSTON CORPORATION
PROJECT NO.	0417.08
 The Payne Firm, Inc. Environmental Consultants Cincinnati, Ohio 45242	



TITLE	
PILOT STUDY LAYOUT	
DATE	10/11/95
FIGURE	2
DRAWN BY	BDH
APPROVED BY	MTS
CLIENT	GAYSTON CORPORATION
PROJECT NO.	0417.08
	
The Payne Firm, Inc.	
Environmental Consultants Cincinnati, Ohio 45242	

Well Construction Record

JS-1
well log 21A

Project #: 929.001 Project Name: Gaston Corp. Monitoring Well #: P-1
 Location: 55 Janney Road Dayton, Ohio Date Completed: 4/7/1999
 Drilling Company: Fore Testing / Drilling Inc. Drilling Personnel: Robert Bender / Terry Melton

Casing elev: _____	Diameter of outer Casing: <u>9" X 12"</u>
Riser elev: _____	Top of riser _____
	Top of surface seal _____
	Seal material: <u>2 X 2 Concrete Pad</u>
	Top of grout <u>1.50'</u>
Grout material vol. used Gal. <u>75</u>	Grout material: <u>Cement / Bentonite</u>
	Riser length & diameter: <u>34.75' 2"</u>
	Riser material: <u>Polyvinyl Chloride</u>
	Joint type: <u>2" Flushjoint with Buna N. O Ring</u>
Filter pack seal material Cubic ft. <u>.50</u>	Top of filter pack seal <u>30.80'</u>
	Pack seal material: <u>Bentonite Pellets</u>
Screen Elev (top): _____	Top of filter pack <u>32.80'</u>
	Water level: <u>N/A</u>
	Screen length & material: <u>10.00' Polyvinyl Chloride</u>
	Slot: <u>0.010</u>
Filter pack material vol. used Cubic ft. <u>3.5</u>	Filter pack material: <u>Silica Sand</u>
	Filter pack size: <u>#5</u>
Well Elev (bottom): _____	Bottom cap length and type <u>.35'</u>
	Bottom of well: <u>45.00'</u>
	Bottom of boring: <u>45.50'</u>

Comments: Well was installed through concrete inside building at south east corner of building.

LOG OF BORING MW-9

GAYSTON CORPORATION

Dayton, Ohio

Page 1 of 4

WELL DIAGRAMLITHOLOGY

21A

DEPTH (ft.)	ELEVATION	BLOWS/6 in.	HSO (ppm)	RECOVERY (in.)	SAMPLES	GRAPHIC LOG	DESCRIPTION
0							ASPHALT
			0.8/0	7			SAND AND GRAVEL BASE
		5					SILTY SAND with gravel and clay; brown; slightly moist; no odor; soft
		12					
		5					SAND (medium) AND GRAVEL (fine to medium); minor silt; brown; dry; no odor; loose
		4	0.1/0	2			
		4					
		1					
		3					
5		5	0.4/0	5			
		8					
		21					
		28					- gravel (fine to coarse grained); medium dense
		40	2.0/0.1	12			
		34					
		24					
		15					- some fines
		23	3.5/0.4	13			
		23					
10		28					- sand (coarse grained); gravel (fine to medium grained); very slightly moist
		10					
		22	0.9/0	12			
		30					
		38					- sand (medium grained); slightly moist
		7					
		18	2.6/0.4	12			
		20					
		22					- orange staining from 14.0 feet to 14.3 feet
		4					
15		20	2.0/0.2	9			
		20					
		20					- sand (fine to coarse grained)
		8					
		22	3.6/1.3	12			
		22					
		18					
		10					
		22	5.7/0.8	18			- orange staining; increasing sand
		4					- color change to brown
20		23					SAND (medium); well-sorted, angular; minor fines; orange staining; slightly moist; no odor; loose
		9					
		14	8.3/0.1	14			GRAVEL (medium), rounded; with SAND (medium to coarse); slightly moist; no odor; loose

▽ - Initial ground-water level
 ▽ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 03/03/94
 DATE FINISHED: 03/03/94
 GEOLOGIST: Craig M. Ehde
 PROJECT NO: 0417.03

GS ELEVATION (MSL):
 TOP OF CASING (MSL):
 WELL DEVELOPED:
 DATE PRINTED: 04/20/1994



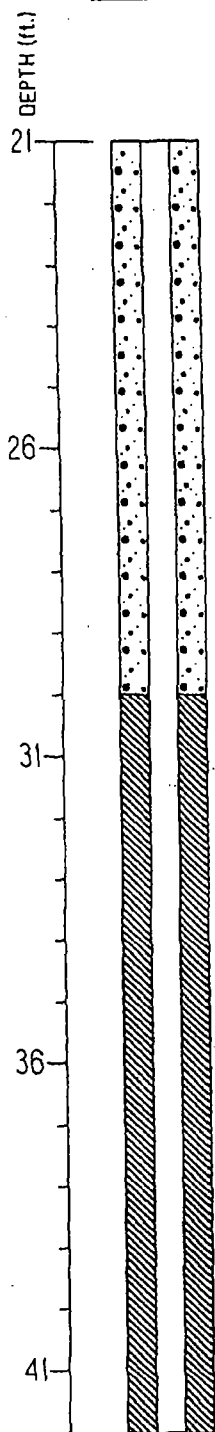
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LOG OF BORING MW-9

GAYSTON CORPORATION

Dayton, Ohio

WELL DIAGRAM



VOLCLAY GROUT

LITHOLOGY

ELEVATION	BLOWS/6 in.	HSO (ppm)	RECOVERY (in.)	SAMPLES	GRAPHIC LOG	DESCRIPTION
24	31					
16	42	9.0/0.3	14			SAND (coarse) AND GRAVEL (fine to medium); brownish-gray with some black staining; slightly moist; no odor; loose
50/5"	2					- color change to dark gray; sand (coarse grained), rounded; gravel (fine-grained), rounded
14	50/5"	7.8/0	9			SAND (medium to coarse), rounded; brown; some gravel; slightly moist; no odor; medium dense
26	28					- sand (coarser grained), angular
50/3"	32	35/0.3	13			CLAYEY SILT, with minor sand and fine gravel; brown; moist; no odor; medium dense (Till)
	50/5"	56/0.5	13			- color change to gray; dry; crumbly - increasing clay and sand
31	10					SAND (fine to medium), with minor fines; gray; slightly moist; no odor; loose
	32	32/0.1	13			- coarsening downwards; color change to brown; wet; no odor; medium dense
	50/5"					- sand (coarse), angular; brownish-gray; minor fine gravel
	9	61/2.7	12			- increasing fine gravel
	50/5"					
	9	50/4"	18/0.1	3		GRAVEL (fine to coarse), rounded; some sand; minor fines; wet; no odor
36	38					
	50/4"	22/1.3	1			
	12					SAND (coarse), sub-rounded; minor rounded fine gravel; wet; no odor; medium dense
	38	25/5.4	8			
	50/5"					
41	38					GRAVEL (fine to coarse); some fine sand; wet; no odor; loose
	50/5"	24/9.0	6			

▽ - initial ground-water level
 ▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 03/03/94
 DATE FINISHED: 03/03/94
 GEOLOGIST: Craig M. Ehde
 PROJECT NO: 0417.03

GS ELEVATION (MSL):
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LOG OF BORING MW-9
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Dayton, Ohio

Page 3 of 4

WELL DIAGRAM

LITHOLOGY

DEPTH (ft.)	ELEVATION	BLOWS/6 in.	HSO (ppm)	RECOVERY (in.)	SAMPLES	GRAPHIC LOG	DESCRIPTION
42		34					
		50/5"	22/4.4	3			
		17					
		28	20/4.8	20			SAND (medium), well sorted; wet; no odor; medium dense
		38					GRAVEL (fine to medium), rounded; minor sand; wet
		38					- gravel (fine to coarse grained)
		12					- orange staining from 45.4 feet to 45.8 feet
47		36	2.8/0.5	11			CLAYEY SILT; minor fine gravel; gray; dry; no odor; hard (Till)
		50/4"					
		32					
		50/5"	28/4.1	10			SAND (coarse), rounded AND GRAVEL (fine), rounded; some fines; wet; no odor; loose
		30					- sand (fine to coarse); gravel (fine to coarse)
		50/5"	9.0/1.1	8			
52		3					
		42	44/8.3	12			
		50/5"					
		42					
		50/4"	10/4.8	9			CLAYEY SILT, with minor fine gravel; gray; dry; no odor; hard
							- sand and gravel; some fines; wet from 54.4 feet to 54.5 feet
							- moist; medium stiff
		10					- increasing gravel; moist
57		32	24/17	10			SAND (coarse), rounded AND GRAVEL (fine), rounded; wet; no odor; medium dense
		50/5"					
		5					
		15	13/3.4	15			GRAVEL; fine; minor sand; wet; no odor; loose
		25					
		35					SAND (medium to coarse); minor fine gravel; wet; no odor; dense
		4					- sand (fine to medium grained)
		15	30/8.7	9.5			- sand (coarse grained); some fine gravel; minor fines
		28					
62		32					
		9					- sand (fine to coarse grained)
		32	7.0/1.1	9			- sand (fine grained); no gravel

▽ - initial ground-water level
▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
DATE STARTED: 03/03/94
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GEOLOGIST: Craig M. Ehde
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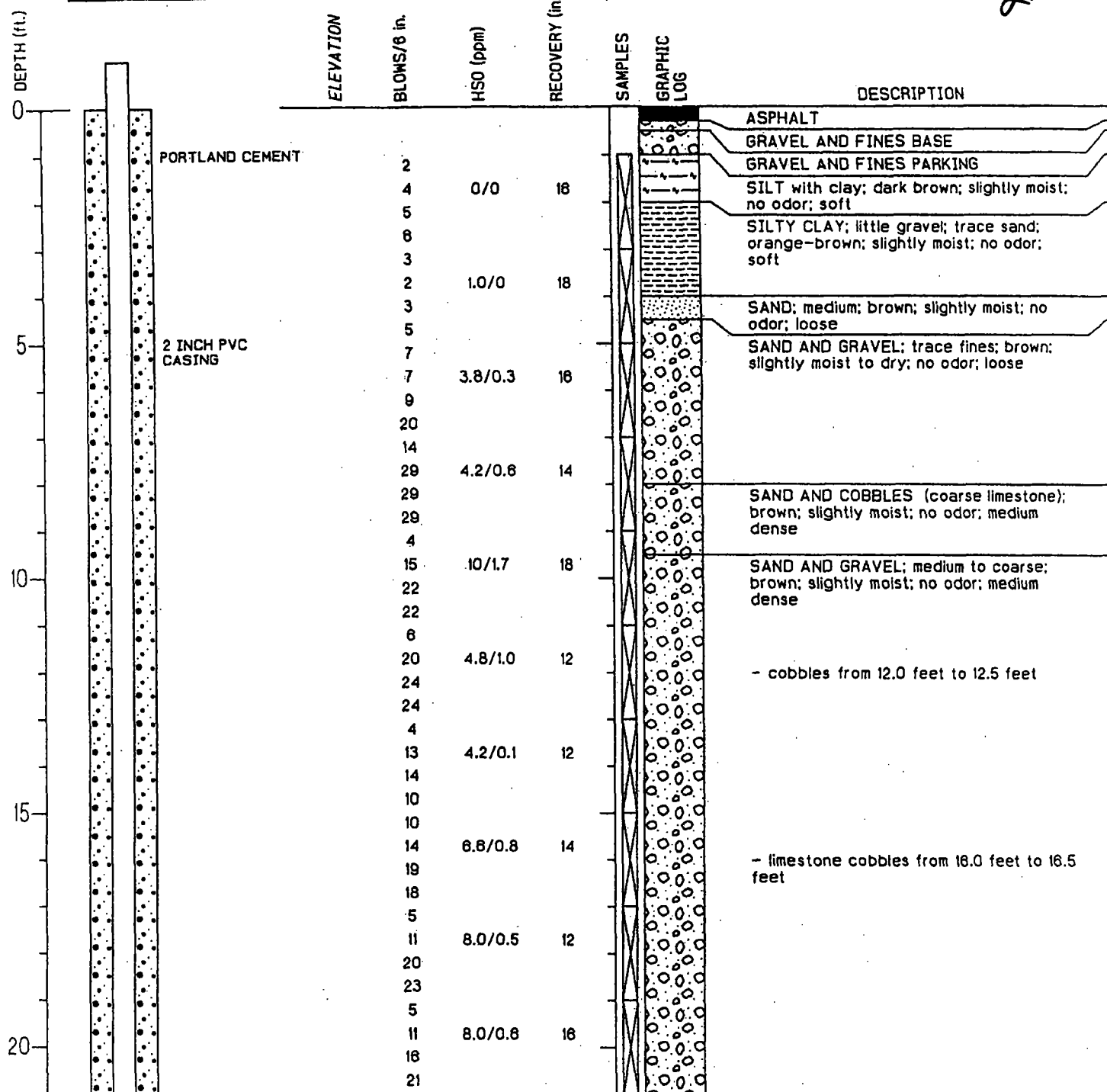
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LOG OF BORING MW-8 GAYSTON CORPORATION Dayton, Ohio

Page 1 of 4

WELL DIAGRAMLITHOLOGY

21A



▽ - initial ground-water level
 ▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 02/28/94
 DATE FINISHED: 03/01/94
 GEOLOGIST: Michael L. Woodruff
 PROJECT NO: 0417.03

GS ELEVATION (MSL):
 TOP OF CASING (MSL):
 WELL DEVELOPED: 03/03/94
 DATE PRINTED: 04/20/1994



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LOG OF BORING MW-8 GAYSTON CORPORATION Dayton, Ohio

WELL DIAGRAM

LITHOLOGY

DEPTH (ft.)	ELEVATION	BLOWS/6 in.	HSO (ppm)	RECOVERY (in.)	SAMPLES	GRAPHIC LOG	DESCRIPTION
21		5					
		11	9.4/0.4	12			
		24					
		28					- limestone cobbles from 22.5 feet to 22.75 feet; orange staining
		8					
		10	11/0.5	18			- orange staining
		22					
		27					
		10					
26		28	32/1.6	18			- orange staining and limestone cobbles
		36					
		44					
		4					
		21	10/0.1	8			- no staining
		36					
		44					
		8					
		21	52/4.0	10			- moist
		28					
		29					
31		25					
		50/2"	70/2.0	4			- moist; dense
		11					
		50/3"	100/2.5	6			- wet
		13					
		36	150/13	18			SAND; medium with gravel; trace fines; brown; wet; no odor; dense
		43					
		44					
		20					
		14	70/6.8	20			SAND AND GRAVEL; medium to coarse; brown; wet; no odor; medium dense
		23					
		21					SAND with gravel; medium to coarse; brown; wet; no odor; medium dense
		12					
		50/5"	35/2.3	8			SAND AND GRAVEL; medium to coarse; brown; wet; no odor; very dense
		5					
		45	28/5.2	12			

VOLCLAY GROUT

▽ - initial ground-water level
 ▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 02/28/94
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 GEOLOGIST: Michael L. Woodruff
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LOG OF BORING MW-8

GAYSTON CORPORATION

Dayton, Ohio

WELL DIAGRAM

LITHOLOGY

DEPTH (ft.)	ELEVATION	BLOWS/6 in.	HSO (ppm)	RECOVERY (in.)	SAMPLES	GRAPHIC LOG	DESCRIPTION
42		50/5"					- cobbles
		15					
		50/5"	45/7.4	8			- cobbles
		50/5"					- cobbles
		8	8.5/0.5	5			
		34	35/7.0	18			- fines
47		48					
		50/5"					
		18	10/1.5	8			- fines
		9					
		26	45/7.2	18			- fines; sheen on water from spoon
		36					
		38					
		8					
		36	38/8.3	18			SAND AND GRAVEL; medium; brown; wet; no odor; dense
52		42					
		42					SAND AND GRAVEL with cobbles and fines; brown; wet; no odor; dense; angular
		45					
		45	14/4.0	12			SAND AND GRAVEL; medium; brown; wet; no odor; dense; rounded
		50/3"					COBBLES AND GRAVEL with sand and fines; brown; wet; no odor; dense; angular
		10					
		39	20/5.6	12			SAND AND GRAVEL; rounded; medium; brown; wet; no odor; dense
		50/4"					- coarse, trace fines
		10					
57		20	5.5/2.1	18			SAND; medium; trace gravel; gray; wet; no odor; medium dense to dense
		50/5"					
		8					
		31	15/8.7	12			SAND AND GRAVEL; medium to coarse with depth; gray-brown; wet; no odor; dense
		50/5"					
		12					
		33	70/13	18			SAND, grading down to gravel; medium to coarse; gray-brown; wet; no odor; dense
62		50/5"					- cyclic; six inches sand, six inches sand and gravel, six inches gravel

▽ - initial ground-water level
 ▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 02/28/94
 DATE FINISHED: 03/01/94
 GEOLOGIST: Michael L. Woodruff
 PROJECT NO: 0417.03

GS ELEVATION (MSL):
 TOP OF CASING (MSL):
 WELL DEVELOPED: 03/03/94
 DATE PRINTED: 04/20/1994



The Payne Firm, Inc.
 Environmental Consultants
 Cincinnati, Ohio

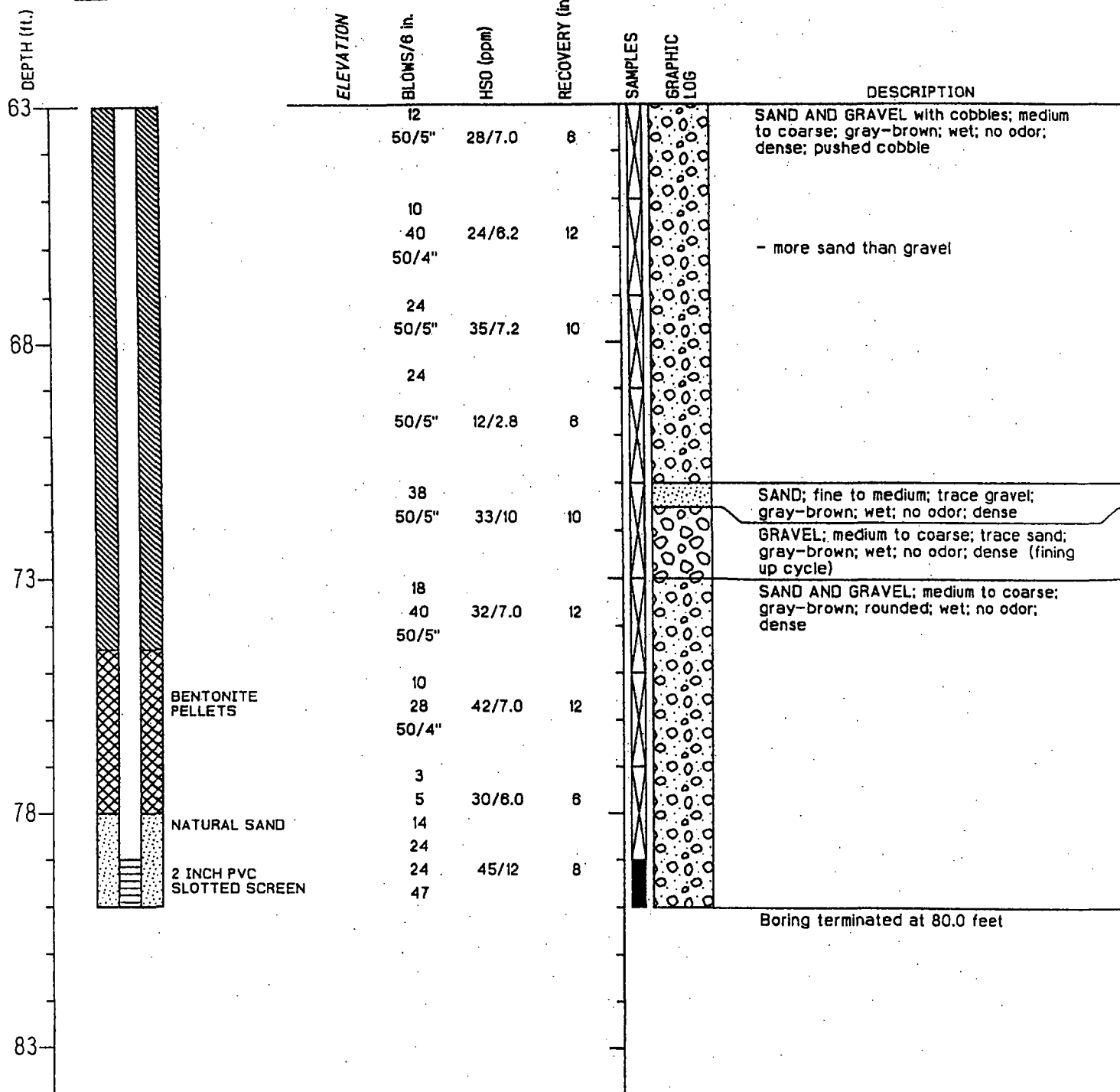
LOG OF BORING MW-8

GAYSTON CORPORATION

Dayton, Ohio

WELL DIAGRAM

LITHOLOGY



▽ - initial ground-water level
 ▼ - stabilized ground-water level

TOTAL DEPTH (Ft.): 80.0
 DATE STARTED: 02/28/94
 DATE FINISHED: 03/01/94
 GEOLOGIST: Michael L. Woodruff
 PROJECT NO: 0417.03

GS ELEVATION (MSL):
 TOP OF CASING (MSL):
 WELL DEVELOPED: 03/03/94
 DATE PRINTED: 04/20/1994



The Payne Firm, Inc.
 Environmental Consultants
 Cincinnati, Ohio

21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 7-29-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

WELL # 1

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 4"	Asphalt Crushed Stone, Base					
2.0 5.0	Br Silt, Tr Cinders Br Sand & Gravel, Dump	1		5.0-7.0	21-27- 31-31	18"
	Same Material	2		7.0-9.0	31-37- 60-58	20"
9.50	Br Sand & Gravel Sm Cobbles, Moist	3		9.0-11.0	19-21- 27-31	18"
	Same Material	4		11.0-13.0	23-30- 33-33	12"
	Same Material	5		13.0-15.0	19-21- 21-28	14"
	Same Material	6		20.0-22.0	18-12- 14-12	12"
25.0	Br Sand & Gravel, Heavy Cobbles	7		25.0-27.0	100 / 2	0
	Same Material	8		30.0-32.0	21-32- 39-40	10"
DRILLING METHOD: B-53 SAMPLE METHOD: Split Spoon AUGERS: 4 1/4 HOLLOW STEM		WATER OBSERVATIONS INITIAL DEPTH: 37.5 COMPLETION DEPTH: 38.4			PROJECT MANAGER: TIM HUMERICK TECHNICIANS: M.M. & A.B.	

[illegible]

WELL LOG

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
151 E. Sixth St.
Franklin, Ohio 45005

CLIENT : GAYSTON CORP.

LOCATION : 55 JANNEY RD.
DAYTON, OH

WELL # 1

GRADE -----

2" PVC



--- FLUSHMOUNT

2" TOP OF PVC

5" TOP OF GROUT

34.0 TOP OF PELLETS

36.0 TOP OF SAND

40.0 TOP OF SCREEN

50.0 BOTTOM OF SCREEN

51.0 BOTTOM OF BORING

21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 7-30-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

WELL # 2

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 1.0	Asphalt Crushed Stone, Base					
3.0	Br Silt, Tr Sand & Gravel					
5.0	Br. Sand & Gravel, Damp	1		5.0-7.0	30-32- 34-33	18"
	Same Material	2		7.0-9.0	22-39- 41-40	20"
	Same Material	3		9.0-11.0	29-33- 33-39	12"
11.0 12.75	Br. Sand & Gravel, Moist Pink Discoloration, Moist	4		11.0-13.0	18-21- 23-23	18"
13.25	Br Sand & Gravel, Moist	5		13.0-15.0	22-23- 23-25	13"
25.0	Heavy Cobbles, 0 Recovery	7		25.0-27.0	100/ 2"	0
30.0 31.5	Br Sand & Gravel Gr Discoloration, Moist	8		30.0-32.0	8-12- 29-25	10"
DRILLING METHOD: B-53 SAMPLE METHOD: Split Spoon AUGERS: 4 1/4 HOLLOW STEM		WATER OBSERVATIONS INITIAL DEPTH: 37.5 COMPLETION DEPTH: 40.75			PROJECT MANAGER: TIM HUMERICK TECHNICIANS: M.M. & A.B.	

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
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WELL LOG

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
151 E. Sixth St.
Franklin, Ohio 45005

CLIENT : GAYSTON CORP.

LOCATION : 55 JANNEY RD.
DAYTON, OH

WELL # 2

GRADE -----

2" PVC



---- FLUSHMOUNT

2" TOP OF PVC

5" TOP OF GROUT

34.0 TOP OF PELLETS

36.0 TOP OF SAND

40.0 TOP OF SCREEN

50.0 BOTTOM OF SCREEN

52.0 BOTTOM OF BORING

21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.

151 E. SIXTH ST.
FRANKLIN, OHIO 45005
(513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-5-91

LOCATION: 55 Janney Drive
Dayton, Ohio

WELL # 3

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 2.0	Top Soil Br Sand	1		5.0-7.0	11-13- 15-23	18"
5.25	Br Sand & Gravel Tr. Silt, Damp	2		10.0-12.0	30-70- 61-22	18"
	Same Material	3		15.0-17.0	9-13- 13-19	18"
	Same Material	4		20.0-22.0	12-24- 29-28	18"
25.0 26.0	Br Sand, Tr Gravel Gr Sand & Silt, Moist	5		25.0-27.0	18-28- 41-45	24"
30.0	Br. Sand & Gravel, Moist Big Cobbles	6		30.0-30.5	100/ 5"	5"
	Same Material	7		35.0-37.0	100/ 5"	5"
38.5	Br Sand & Gravel, Wet	8		37.0-39.0	63-23- 29-23	10"
	Same Material	9		39.0-41.0	100/ 2"	0
DRILLING METHOD: B-53 SAMPLE METHOD: Split Spoon AUGERS: 4 1/4 HOLLOW STEM		WATER OBSERVATIONS INITIAL DEPTH: 38.0 COMPLETION DEPTH: 39.10			PROJECT MANAGER: TIM HUMERICK TECHNICIANS: M.M. & A.B.	

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WELL LOG

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
151 E. Sixth St.
Franklin, Ohio 45005

CLIENT : GAYSTON CORP.

LOCATION : 55 JANNEY RD.
DAYTON, OH

WELL # 3

GRADE -----

2" PVC



--- FLUSHMOUNT

2" TOP OF PVC

5" TOP OF GROUT

34.0 TOP OF PELLETS

36.0 TOP OF SAND

40.0 TOP OF SCREEN

50.0 BOTTOM OF SCREEN

52.0 BOTTOM OF BORING

21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-1-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

BORING # 1

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 4"	Asphalt Base, Br Sand & Gravel					
5.0	Br Sand & Gravel, Damp	1		5.0-7.0	27-35- 43-49	12"
	Same Material	2		7.0-8.5	32-79- 100 /2"	10"
	Same Material	3		9.0-11.0	28-29- 36-34	18"
	Same Material	4		11.0-13.0	45- 100 /3"	8"
13.25	Br. Sand & Gravel, Sm Cobbles, Moist	5		13.0-15.0	21-31- 33-39	24"
	Same Material	6		15.0-17.0	18-24- 48-36	10"
	Same Material	7		17.0-19.0	31-33- 33-37	18"
	Same Material	8		19.0-21.0	23-25- 25-25	18"
DRILLING METHOD: B-53		WATER OBSERVATIONS			PROJECT MANAGER:	
SAMPLE METHOD: Split Spoon		INITIAL DEPTH: NONE			TIM HUMERICK	
AUGERS: 2 1/4 HOLLOW STEM		COMPLETION DEPTH: NONE			TECHNICIANS:	
					M.M. & A.B.	

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
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21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-1-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

BORING # 2

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 6"	Concrete Base, Crushed Stone					
0.5	Br Clay, Tr Silt, Tr Sand	1		0.5-2.0		
	Same Material	2		2.0-4.0		
	Auger Refusal 5.5					
DRILLING METHOD: D-25		WATER OBSERVATIONS			PROJECT MANAGER:	
SAMPLE METHOD: Auger Cutting		INITIAL DEPTH: NONE			TIM HUMERICK	
AUGERS: 2 1/4 HOLLOW STEM		COMPLETION DEPTH: NONE			TECHNICIANS:	
					M.M. & A.B.	

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-1-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

BORING # 3

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0	Crushed Stone					
0.3	Br Silt, Tr Sand, Tr Gravel, Damp	1		0.0-2.0	05-09- 09-12	24"
2.0	Br Sand & Gravel, Damp	2		2.0-4.0	13-12- 12-17	10"
	Same Material	3		4.0-6.0	10-11- 19-19	10"
	Same Material	4		6.0-8.0	09-16- 19-19	14"
8.0 9.5	Br Sand & Gravel, Damp Black Discoloration	5		8.0-10.0	12-16- 17-21	18"
15.0	Br Sand & Gravel, Moist Sm Black Discoloration	6		15.0-17.0	12-15- 17-17	18"
20.0	Rust, Br Sand & Gravel, Moist	7		20.0-22.0	92- 100/3"	6"
25.0 26.75	Br Sand & Gravel 2" Wet Sand, Moist // Green	8		25.0-27.0	22-25- 41-39	6"
Discoloration DRILLING METHOD: B-53 SAMPLE METHOD: Split Spoon AUGERS: 2 1/4 HOLLOW STEM		WATER OBSERVATIONS INITIAL DEPTH: 38.5 COMPLETION DEPTH: 37.75			PROJECT MANAGER: TIM HUMERICK TECHNICIANS: M.M. & A.B.	

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
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21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-1-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

BORING # 3

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 .5	Crushed Stone // Bl Silt, Tr Sand & Gravel, Damp	1		0.0-2.0	5-6-6-9	18"
2.5	Br Sand, Tr Gravel, Damp	2		2.0-4.0	4-7 10-13	16"
4.0 5.25	Br Sand & Gravel, Damp Green Discoloration	3		4.0-6.0	10-10- 17-15	10"
6.0	Br Sand & Gravel, Damp	4		6.0-8.0	32-42- 49-52	16"
	Same Material	5		8.0-10.0	28-32- 32-37	18"
	Same Material	6		15.0-17.0	21-29- 32-41	12"
	Same Material	7		20.0-22.0	28-30- 32-34	18"
20.0 26.25	Br Sand & Gravel, Moist Green Discoloration	8		25.0-27.0	21-24- 32-35	20"
30.0	Br Sand & Gravel, Moist	8		30.0-32.0	21-28- 39-42	20"

DRILLING METHOD: B-53

SAMPLE METHOD: Split Spoon

AUGERS: 2 1/4 HOLLOW STEM

WATER OBSERVATIONS

INITIAL DEPTH: 38.0

COMPLETION DEPTH: 37.3

PROJECT MANAGER:
 TIM HUMERICK

TECHNICIANS:
 M.M. & A.B.

Page 2 of 2

Boring # 4

[illegible]

21A

E.C. ENVIRONMENTAL CONSTRUCTION, INC.
 151 E. SIXTH ST.
 FRANKLIN, OHIO 45005
 (513) 866-5818

BORING LOG

CLIENT: Gayston Corporation

DATE: 8-15-91

LOCATION: 55 Janney Drive
 Dayton, Ohio

BORING # 5

DEPTH	GEOLOGY	SAMPLE NO.	PPM	DEPTH	BLOWS	RECOVERY
0.0 4"	Asphalt Sand & Gravel					
2.0	Br Sand & Gravel, Moist	1		2.0-4.0	12-29- 50-58	18"
	Same Material	2		9.0-11.0	15-28- 28-31	10"
	Same Material	3		25.0-27.0	20-29- 39-39	10"
38.0	Br Sand & Gravel, Wet	4		40.0-42.0	21-22- 30-31	14"

DRILLING METHOD: B-53

SAMPLE METHOD: Split Spoon

AUGERS: 2 1/4 HOLLOW STEM

WATER OBSERVATIONS

INITIAL DEPTH: 38.0

COMPLETION DEPTH: 37.0

PROJECT MANAGER:
 TIM HUMERICK

TECHNICIANS:
 M.M. & A.B.

Gayston Corporation

Items Enclosed:

Articles of Incorporation
Audited Financial Statements for years 2004, 05, 06, 07
Unaudited financial statements for year 2008
Deed to 200 S. Pioneer Blvd.
Deed to 55 Janney Rd.
Corporate Federal Tax Returns for years 2004, 05, 06, 07

Prepared By:

Jerry Longo
V.P. Finance

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

See separate instructions.

2004

Department of the Treasury
Internal Revenue Service

For calendar year 2004, or tax year beginning

, and ending

A Effective date of S election 7/01/92	Use the IRS label. Otherwise, print or type.	Name Number, street, and room or suite no. (If a P.O. box, see page 12 of the instr.) GAYSTON CORPORATION	C Employer identification number 31-0568575
B Business code number (see pages 36-38 of the Instr.) 332900		200 PIONEER BLVD	D Date incorporated 7/07/1954
		City or town, state, and ZIP code SPRINGBORO OH 45066-1179	E Total assets (see page 12 of instructions) \$ 22,826,392
F Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return			
G Enter number of shareholders in the corporation at end of the tax year 1			

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 13 of the instructions for more information.

Income	1a Gross rcpt. or sales	18,746,527	b Less rtn. and allowances	10,498	c Bal	1c 18,736,029
	2 Cost of goods sold (Schedule A, line 8)					2 17,606,832
	3 Gross profit. Subtract line 2 from line 1c					3 1,129,197
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4
	5 Other income (loss) (attach schedule)				SEE STMT 1	5 13,632
	6 Total income (loss). Add lines 3 through 5					6 1,142,829
Deductions (see page 14 of the instructions for limitations)	7 Compensation of officers					7
	8 Salaries and wages (less employment credits)					8 581,884
	9 Repairs and maintenance					9 1,992
	10 Bad debts					10
	11 Rents					11 4,800
	12 Taxes and licenses					12 72,312
	13 Interest					13 395,292
	14a Depreciation (attach Form 4562)	14a 1,310,270				
	b Depreciation claimed on Schedule A and elsewhere on return	14b 1,233,944				
	c Subtract line 14b from line 14a					14c 76,326
	15 Depletion (Do not deduct oil and gas depletion.)					15
	16 Advertising					16
17 Pension, profit-sharing, etc., plans					17 1,060	
18 Employee benefit programs					18	
19 Other deductions (attach schedule)				SEE STMT 2	19 429,406	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					20 1,563,072	
21 Ordinary business income (loss). Subtract line 20 from line 6					21 -420,243	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a				
	b Tax from Schedule D (Form 1120S)	22b				
	c Add lines 22a and 22b (see page 18 of the instructions for additional taxes)					22c
	23 Payments: a 2004 estimated tax payments and amount applied from 2003 return	23a				
	b Tax deposited with Form 7004	23b				
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c				
	d Add lines 23a through 23c					23d
	24 Estimated tax penalty (see page 18 of instructions). Check if Form 2220 is attached				<input type="checkbox"/>	24
	25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed.					25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26
27 Enter amount of line 26 you want: Credited to 2005 estimated tax				Refunded	27	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Sign Here	Signature of officer	Date	Title
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code	Preparer's SSN or PTIN	
Paid Preparer's Use Only	HAMMERMAN, GRAF, HUGHES & COMPANY, INC.		EIN 31-1183837
	4486 INDIAN RIPPLE ROAD DAYTON, OH 45440-3203		Phone no. 937-320-1262

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1	4,803,619
2	Purchases	2	9,259,941
3	Cost of labor	3	6,407,711
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) STMT 3	5	3,943,740
6	Total. Add lines 1 through 5	6	24,415,011
7	Inventory at end of year	7	6,808,179
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	17,606,832

9a Check all methods used for valuing closing inventory: (i) ☒ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) **▶**

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) **▶** ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) **▶** ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Schedule B Other Information (see page 19 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 See pages 36 through 38 of the instructions and enter the: (a) Business activity ▶ MANUFACTURING (b) Product or service ▶ COMMERCIAL/ORDNANC		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		<input checked="" type="checkbox"/>
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		<input checked="" type="checkbox"/>
5 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ <input type="text"/>		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 19 of the instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach

Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	-420,243
2	Net rental real estate income (loss) (attach Form 8825)	2	
3a	Other gross rental income (loss)	3a	
b	Expenses from other rental activities (attach schedule)	3b	
c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
4	Interest income	4	4,600
5	Dividends: a Ordinary dividends	5a	
b	Qualified dividends	5b	
6	Royalties	6	
7	Net short-term capital gain (loss)	7	
8a	Net long-term capital gain (loss)	8a	
b	Collectibles (28%) gain (loss)	8b	
c	Unrecaptured section 1250 gain (attach schedule)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9	
10	Other income (loss) (attach schedule)	10	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Deductions related to portfolio income (attach schedule)	12b	
	c Investment interest expense	12c	
	d Section 59(e)(2) expenditures (1) Type (2) Amount	12d(2)	
	e Other deductions (attach schedule)	12e	
Credits & Credit Recapture	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits	13d	
	e Other rental credits	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits and credit recapture (attach schedule)	13g	
Foreign Trans-actions	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level:		
	d Passive	14d	
	e Listed categories (attach schedule)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level:		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income:		
	i Passive	14i	
	j Listed categories (attach schedule)	14j	
	k General limitation	14k	
Other information:			
l Foreign taxes paid	14l		
m Foreign taxes accrued	14m		
n Reduction in taxes available for credit (attach schedule)	14n		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach schedule)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	878
	d Property distributions	16d	150,000
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	4,600
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach schedule)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12e and lines 14l or 14m, whichever applies	17e	-415,643

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		79,142		90,856
2a	Trade notes and accounts receivable	3,640,475		3,091,315	
b	Less allowance for bad debts		3,640,475		3,091,315
3	Inventories		4,803,619		6,808,179
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets STMT 4		142,273		216,094
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments				
10a	Buildings and other depreciable assets	27,344,426		29,582,474	
b	Less accumulated depreciation	16,719,661	10,624,765	17,341,760	12,240,714
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		379,234		379,234
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach sch.)				
15	Total assets		19,669,508		22,826,392
Liabilities and Shareholders' Equity					
16	Accounts payable		2,212,602		2,387,032
17	Mortgages, notes, bonds payable in less than 1 year		5,531,600		6,342,739
18	Other current liabilities STMT 5		526,346		335,200
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		1,842,201		4,123,195
21	Other liabilities (attach sch.)				
22	Capital stock		12,700		12,700
23	Additional paid-in capital				
24	Retained earnings		9,544,059		9,625,526
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		19,669,508		22,826,392

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books	231,467	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l or (14m) (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l or (14m), not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	647,988
b	Travel and entertainment \$	878			647,988
		878	7	Add lines 5 and 6	647,988
4	Add lines 1 through 3	232,345	8	Income (loss) (Schedule K, line 17e). Line 4 less line 7	-415,643

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 32 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-2,825,491	431,013
2	Ordinary income from page 1, line 21		
3	Other additions STMT 6	4,600	
4	Loss from page 1, line 21	(420,243)	
5	Other reductions STMT 7	(878)	
6	Combine lines 1 through 5	-3,242,012	431,013
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-3,242,012	431,013

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS INCOME	\$ 11,570
GAIN ON SALE	2,062
TOTAL	<u>\$ 13,632</u>

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
TELEPHONE	\$ 46,147
OFFICE SUPPLIES AND EXPENSES	32,950
PROFESSIONAL FEES	7,209
BOOKKEEPING SUPPLIES	1,408
ACCOUNTING SERVICES	60,901
DUES & SUBSCRIPTIONS	753
DATA PROCESSING SUPPLIES	15,201
LEGAL SERVICES	42,813
BANKING SERVICES	21,733
EMPLOYEE EDUC AND TRAINING	3,038
EMPLOYEE WELFARE	1,844
EMPLOYEE RECRUITMENT	6,286
COMMISSIONS	9,953
SALES EXPENSES	8,815
UTILITIES	52,545
PROFESSIONAL SERVICES	59,920
INSURANCE	15,596
SAFETY AND SECURITY	1,629
TRUCKING COSTS	39,786
50% OF MEALS & ENTERTAINMENT	879
TOTAL	<u>\$ 429,406</u>

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

<u>Description</u>	<u>Amount</u>
PAYROLL TAXES	\$ 625,405
UTILITIES	1,043,597
TRAVEL	5,498
INSURANCE	709,088
SUPPLIES AND SERVICES	401,510
EQUIPMENT RENTAL	66,402
TAXES AND LICENSES	261,777
BURDEN IN INVENTORY	-553,206
WASTE REMOVAL	149,725
DEPRECIATION	1,233,944
TOTAL	<u>\$ 3,943,740</u>

Federal Statements

Statement 4 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID EXPENSES	\$ 142,273	\$ 216,094
TOTAL	\$ 142,273	\$ 216,094

Statement 5 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED PAYROLL & PAYROLL TAX	\$ 218,721	\$ 62,947
ACCRUED PROPERTY TAX	157,625	182,253
OTHER EXPENSES	150,000	90,000
TOTAL	\$ 526,346	\$ 335,200

Statement 6 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
INTEREST INCOME	\$ 4,600
TOTAL	\$ 4,600

Statement 7 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

Description	Amount
DISALLOWED ENTERTAINMENT EXP	\$ 878
TOTAL	\$ 878

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed Form 2553 to elect to be an S corporation.
See separate instructions.

2005

Department of the Treasury
Internal Revenue Service

For calendar year 2005, or tax year beginning , ending

A Effective date of S election 7/01/92	Use the IRS label. Otherwise, print or type.	Name GAYSTON CORPORATION	C Employer identification number 31-0568575
B Business code number (see instructions) 332900		Number, street, and room or suite no. If a P.O. box, see instructions. 200 PIONEER BLVD	D Date incorporated 7/07/1954
		City or town, state, and ZIP code SPRINGBORO OH 45066-1179	E Total assets (see instructions) \$ 23,791,164

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☒ Amended returnG Enter number of shareholders in the corporation at end of the tax year **1**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross rcpt. or sales	20,348,275	b Less rtn. and allowances		c Bal	1c	20,348,275
	2 Cost of goods sold (Schedule A, line 8)					2	18,139,749
	3 Gross profit. Subtract line 2 from line 1c					3	2,208,526
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4	
	5 Other income (loss) (attach statement)	SEE STMT 1				5	15,992
	6 Total income (loss). Add lines 3 through 5					6	2,224,518
Deductions (see the instructions for limitations)	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	916,632
	9 Repairs and maintenance					9	8,418
	10 Bad debts					10	
	11 Rents					11	4,800
	12 Taxes and licenses					12	66,907
	13 Interest					13	710,621
	14a Depreciation (attach Form 4562)	1,029,905	14a		14c	48,558	
	b Depreciation claimed on Schedule A and elsewhere on return	981,347	14b		15		
	c Subtract line 14b from line 14a				16		
	15 Depletion (Do not deduct oil and gas depletion.)				17	3,463	
	16 Advertising				18	7,708	
	17 Pension, profit-sharing, etc., plans				19	410,182	
	18 Employee benefit programs				20	2,177,289	
	19 Other deductions (attach statement)	SEE STMT 2			21	47,229	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19							
21 Ordinary business income (loss). Subtract line 20 from line 6							
Tax and Payments	22 Tax: a Excess net passive income tax (attach statement)	22a					
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see the instructions for additional taxes)			22c			
	23 Payments: a 2005 estimated tax payments and amount applied from 2004 return	23a					
	b Tax deposited with Form 7004	23b					
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c					
	d Add lines 23a through 23c			23d			
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached			24			
	25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed.			25			
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26			
27 Enter amount of line 26 you want: Credited to 2006 estimated tax		Refunded	27				

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Signature of officer

Date

Title

Preparer's signature

Date

Check if self-employed ☐Preparer's SSN or PTIN
P00103249

Paid

Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code

HAMMERMAN, GRAF, HUGHES & COMPANY, INC.
4486 INDIAN RIPPLE ROAD
DAYTON, OH 45440-3203EIN **31-1183837**
Phone no. **937-320-1262**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	6,808,179
2	Purchases	2	8,177,289
3	Cost of labor	3	6,283,388
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement) STMT 3	5	4,114,805
6	Total. Add lines 1 through 5	6	25,383,661
7	Inventory at end of year	7	7,243,912
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	18,139,749

9a Check all methods used for valuing closing inventory: (i) ☒ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) **▶**

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) **▶** ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) **▶** ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** ☐

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: (a) Business activity ▶ MANUFACTURING (b) Product or service ▶ COMMERCIAL/ORDNANC		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name, address, and employer identification number and (b) percentage owned		<input checked="" type="checkbox"/>
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		<input checked="" type="checkbox"/>
5 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach

Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	47,229
2	Net rental real estate income (loss) (attach Form 8825)	2	
3a	Other gross rental income (loss)	3a	
b	Expenses from other rental activities (attach statement)	3b	
c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
4	Interest income	4	12,673
5	Dividends: a Ordinary dividends	5a	
b	Qualified dividends	5b	
6	Royalties	6	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
b	Collectibles (28%) gain (loss)	8b	
c	Unrecaptured section 1250 gain (attach statement)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9	31,568
10	Other income (loss) (see instructions) Type ▶	10	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d Other deductions (see instructions)	12d	
Credits & Credit Recapture	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions)	13d	
	e Other rental credits (see instructions)	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits and credit recapture (see instructions)	13g	14,389
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level:		
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level:		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income:		
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation	14k	
Other information:			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	70
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	14,389
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	12,673
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	17e	91,470

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		90,856		555,847
2a	Trade notes and accounts receivable	3,091,315		3,933,269	
b	Less allowance for bad debts		3,091,315		3,933,269
3	Inventories		6,808,179		7,243,912
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets STMT 5		216,094		188,577
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments				
10a	Buildings and other depreciable assets	29,582,474		29,425,875	
b	Less accumulated depreciation	17,341,760	12,240,714	17,935,550	11,490,325
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		379,234		379,234
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets				
15	Total assets		22,826,392		23,791,164
Liabilities and Shareholders' Equity					
16	Accounts payable		2,387,032		1,564,122
17	Mortgages, notes, bonds payable in less than 1 year		6,342,739		6,821,479
18	Other current liabilities STMT 6		335,200		260,962
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		4,123,195		5,102,245
21	Other liabilities				
22	Capital stock		12,700		12,700
23	Additional paid-in capital				
24	Retained earnings		9,625,526		10,029,656
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		22,826,392		23,791,164

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books	404,131	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	70
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		STMT 8	326,980	326,980
STMT 7	14,389	14,389	7	Add lines 5 and 6	327,050
4	Add lines 1 through 3	418,520	8	Income (loss) (Schedule K, line 17e). Line 4 less line 7	91,470

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-3,242,012	431,013
2	Ordinary income from page 1, line 21	47,229	
3	Other additions STMT 9	371,221	70
4	Loss from page 1, line 21	()	
5	Other reductions STMT 10	14,390	()
6	Combine lines 1 through 5	-2,837,952	431,083
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-2,837,952	431,083

Final K-1

☒ Amended K-1

Department of the Treasury
Internal Revenue Service

2005

For calendar year 2005, or tax

year beginning _____
ending _____

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

31-0568575

B Corporation's name, address, city, state, and ZIP code

GAYSTON CORPORATION

200 PIONEER BLVD
SPRINGBORO

OH 45066-1179

C IRS Center where corporation filed return

OGDEN, UT 84201

D	<input type="checkbox"/>	Tax shelter registration number, if any
----------	--------------------------	-----------------------------------------

F	<input type="checkbox"/>	Check if Form 8271 is attached
---	--------------------------	--------------------------------

Part II Information About the Shareholder

F Shareholder's identifying number

301-38-6592

G Shareholder's name, address, city, state and ZIP code

MARK W STONE

1185 W ALEX BELL

DAYTON

OH 45459

H Shareholder's percentage of stock ownership for tax year

100.000000%



For IRS Use Only

Part III

Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 47,229	13 N	Credits & credit recapture 14,389
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 12,673		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss) 31,568		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16 A	Items affecting shareholder basis 70
12	Other deductions	C	14,389
		17 A	Other information 12,673
* See attached statement for additional information			

For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2005

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2005

Attachment
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

GAYSTON CORPORATION

Identifying number

31-0568575

Business or activity to which this form relates

COST OF GOODS SOLD

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	420,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instr.	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year (see instructions)	14	79,741
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	863,149
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life		535,024		V	S/L	38,457
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	981,347
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2005) (Rev. 1-2006)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ **Attach to your tax return.** ▶ **See separate instructions.**

OMB No. 1545-0184

2005

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

GAYSTON CORPORATION

31-0568575

1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
GRUENBER #1886 WALK-IN OVEN						
2	7/31/00	3/31/05	30,000	17,342	21,110	26,232
LINDBERG MODEL 13 R068460-BOX FURNANCE						
	12/31/98	9/14/05	22,500	130,227	147,391	5,336
3	Gain, if any, from Form 4684, line 42					3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5
6	Gain, if any, from line 32, from other than casualty or theft					6
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.					7 31,568
8	Nonrecaptured net section 1231 losses from prior years (see instructions)					8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)					9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7					11 ()
12	Gain, if any, from line 7 or amount from line 8, if applicable					12
13	Gain, if any, from line 31					13
14	Net gain or (loss) from Form 4684, lines 34 and 41a					14
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					15
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					16
17	Combine lines 10 through 16					17
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions					18a
	b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14					18b

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2005)

THERE ARE NO AMOUNTS FOR PAGE 2

Department of the Treasury
Internal Revenue Service▶ **Attach to your tax return.****2005**Attachment
Sequence No. **81**

Name(s) shown on return

Identifying number

GAYSTON CORPORATION**31-0568575****Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)****Section A-Regular Credit.** Skip this section and go to Section B if you are electing or previously elected the alternative incremental credit.

1	Certain amounts paid or incurred to energy consortia after August 8, 2005 (see instructions)	1	
2	Basic research payments to qualified organizations (see instructions)	2	
3	Qualified organization base period amount	3	
4	Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	5	966,600
6	Cost of supplies	6	560,255
7	Rental or lease costs of computers (see instructions)	7	
8	Enter the applicable percentage of contract research expenses (see instructions)	8	
9	Total qualified research expenses. Add lines 5 through 8	9	1,526,855
10	Enter fixed-base percentage, but not more than 16% (see instructions)	10	7.46%
11	Enter average annual gross receipts (see instructions)	11	19,502,809
12	Multiply line 11 by the percentage on line 10	12	1,454,910
13	Subtract line 12 from line 9. If zero or less, enter -0-	13	71,945
14	Multiply line 9 by 50% (.50)	14	763,428
15	Enter the smaller of line 13 or line 14	15	71,945
16	Add lines 1, 4, and 15	16	71,945
17	Regular credit. If you are not electing the reduced credit under section 280C(c), multiply line 16 by 20% (.20), enter the result, and see the instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 16 by 13% (.13) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space. Go to Section C	17	14,389

Section B-Alternative Incremental Credit. Skip this section if you completed Section A.

18	Certain amounts paid or incurred to energy consortia after August 8, 2005 (see the line 1 instructions)	18	
19	Basic research payments to qualified organizations (see the line 2 instructions)	19	
20	Qualified organization base period amount (see the line 3 instructions)	20	
21	Subtract line 20 from line 19. If zero or less, enter -0-	21	
22	Multiply line 21 by 20% (.20)	22	
23	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	23	
24	Cost of supplies	24	
25	Rental or lease costs of computers (see the line 7 instructions)	25	
26	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	26	
27	Total qualified research expenses. Add lines 23 through 26	27	
28	Enter average annual gross receipts (see the line 11 instructions)	28	
29	Multiply line 28 by 1% (.01)	29	
30	Subtract line 29 from line 27. If zero or less, enter -0-	30	
31	Multiply line 28 by 1.5% (.015)	31	
32	Subtract line 31 from line 27. If zero or less, enter -0-	32	
33	Subtract line 32 from line 30	33	
34	Multiply line 28 by 2% (.02)	34	
35	Subtract line 34 from line 27. If zero or less, enter -0-	35	
36	Subtract line 35 from line 32	36	
37	Multiply line 33 by 2.65% (.0265)	37	
38	Multiply line 36 by 3.2% (.032)	38	
39	Multiply line 35 by 3.75% (.0375)	39	
40	Add lines 18, 22, 37, 38, and 39	40	
41	Alternative incremental credit. If you are not electing the reduced credit under section 280C(c), enter the amount from line 40, and see the line 17 instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 40 by 65% (.65) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space	41	

For Paperwork Reduction Act Notice, see instructions.Form **6765** (2005)

Section C-Current Year Credit for Increasing Research Activities

42	Pass-through research credit(s) from a partnership, S corporation, estate, or trust	42	
43	Current year credit. Add line 17 or line 41 to line 42, and go to Part II	43	14,389

Part II Allowable Credit (See Who must file Form 3800 to find out if you complete Part II or file Form 3800.)

44	Regular tax (see instructions)	44	
45	Alternative minimum tax (see instructions)	45	
46	Add lines 44 and 45	46	
47a	Foreign tax credit	47a	
b	Credits from Form 1040, lines 48 through 54	47b	
c	Possessions tax credit (Form 5735, line 17 or 27)	47c	
d	Nonconventional source fuel credit (Form 8907, line 23)	47d	
e	Other specified credits (see instructions)	47e	
f	Add lines 47a through 47e	47f	
48	Net income tax. Subtract line 47f from line 46. If zero, skip lines 49 through 52 and enter -0- on line 53	48	
49	Net regular tax. Subtract line 47f from line 44. If zero or less, enter -0-	49	
50	Enter 25% (.25) of the excess, if any, of line 49 over \$25,000 (see instructions)	50	
51	Tentative minimum tax (see instructions)	51	
52	Enter the greater of line 50 or line 51	52	
53	Subtract line 52 from line 48. If zero or less, enter -0-	53	
54	Credit allowed for the current year. Individuals, estates, and trusts: Enter the smallest of line 43, line 53, or the amount from the formula in the instructions for line 54 here and on Form 1040, line 55; or Form 1041, Schedule G, line 2c. Corporations: Enter the smaller of line 43 or line 53 here and on Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2; or the applicable line of other returns. If line 54 is smaller than line 43, see instructions	54	

Federal Statements**Statement 1 - Form 1120S, Page 1, Line 5 - Other Income**

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS INCOME	\$ 15,992
TOTAL	\$ 15,992

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
TELEPHONE	\$ 32,244
TRAVEL	4,544
OFFICE SUPPLIES AND EXPENSES	25,876
PROFESSIONAL FEES	131,904
DUES & SUBSCRIPTIONS	470
DATA PROCESSING SUPPLIES	12,393
EMPLOYEE EDUC AND TRAINING	1,834
EMPLOYEE RECRUITMENT	395
SALES EXPENSES	3,500
UTILITIES	40,874
INSURANCE	11,133
SAFETY AND SECURITY	1,628
DISCOUNTS	43,250
BANK CHARGES	20,353
TRUCKING COSTS	31,037
CHANGE IN SALE OF ASSETS	63,136
RESEARCH CREDIT	-14,389
TOTAL	\$ 410,182

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

<u>Description</u>	<u>Amount</u>
PAYROLL TAXES	\$ 650,067
UTILITIES	1,368,078
TRAVEL	4,009
INSURANCE	652,291
SUPPLIES AND SERVICES	394,236
EQUIPMENT RENTAL	85,077
TAXES AND LICENSES	208,621
BURDEN IN INVENTORY	-228,921
DEPRECIATION	981,347
TOTAL	<u>\$ 4,114,805</u>

Statement 4 - Form 1120S, Pg 3, Sch K, Line 13g - Other Credits and Credit Recapture

<u>Description</u>	<u>Amount</u>
RESEARCH CREDIT	<u>\$ 14,389</u>
TOTAL	<u><u>\$ 14,389</u></u>

Federal Statements**Statement 5 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets**

Description	Beginning of Year	End of Year
PREPAID EXPENSES	\$ 216,094	\$ 188,577
TOTAL	\$ 216,094	\$ 188,577

Statement 6 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED PAYROLL & PAYROLL TAX	\$ 62,947	\$ 77,962
ACCRUED PROPERTY TAX	182,253	183,000
ACCRUED PROFIT SHARING	90,000	
TOTAL	\$ 335,200	\$ 260,962

Statement 7 - Form 1120S, Page 4, Schedule M-1, Line 3 - Expense on Books Not on Return

Description	Amount
RESEARCH CREDIT	\$ 14,389
TOTAL	\$ 14,389

Statement 8 - Form 1120S, Page 4, Schedule M-1, Line 6 - Deductions on Return Not on Books

Description	Amount
DEPRECIATION DIFFERENCE	\$ 326,980
TOTAL	\$ 326,980

Statement 9 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
BOOK/TAX DEPRECIATION DIFF	\$ 326,980
INTEREST INCOME	12,673
NET SEC 1231 GAIN	31,568
TOTAL	\$ 371,221

Statement 10 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

Description	Amount
ROUNDING	\$ 1
RESEARCH CREDIT	14,389
TOTAL	\$ 14,390

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed Form 2553
to elect to be an S corporation.
See separate instructions.

OMB No. 1545-0130

2006

For calendar year 2006 or tax year beginning , ending

A Effective date of S election 7/01/92	Use IRS label. Otherwise, print or type.	Name GAYSTON CORPORATION	C Employer identification number 31-0568575
B Business activity code number (see instructions) 332900		Number, street, and room or suite no. If a P.O. box, see instructions. 200 PIONEER BLVD	D Date incorporated 7/07/1954
		City or town, state, and ZIP code SPRINGBORO OH 45066-1179	E Total assets (see instructions) \$ 25,167,378

F Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter the number of shareholders in the corporation at the end of the tax year 1

H Check if Schedule M-3 is required (attach Schedule M-3) ☒

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	18,326,796	b Less returns and allowances		c Bal	1c	18,326,796
	2 Cost of goods sold (Schedule A, line 8)					2	15,709,157
	3 Gross profit. Subtract line 2 from line 1c					3	2,617,639
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4	
	5 Other income (loss) (see instructions-attach statement)	SEE STMT 1				5	10,804
	6 Total income (loss). Add lines 3 through 5					6	2,628,443
Deductions (see instructions for limitations)	7 Compensation of officers					7	738,487
	8 Salaries and wages (less employment credits)					8	148,839
	9 Repairs and maintenance					9	4,165
	10 Bad debts					10	100,814
	11 Rents					11	4,800
	12 Taxes and licenses					12	52,699
	13 Interest					13	915,112
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)					14	278,099
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising					16	
	17 Pension, profit-sharing, etc., plans					17	3,117
	18 Employee benefit programs					18	13,138
	19 Other deductions (attach statement)	SEE STMT 2				19	398,855
	20 Total deductions. Add lines 7 through 19					20	2,658,125
	21 Ordinary business income (loss). Subtract line 20 from line 6					21	-29,682
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a					
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see instructions for additional taxes)					22c	
	23a 2006 estimated tax payments and 2005 overpayment credited to 2006	23a					
	b Tax deposited with Form 7004	23b					
	c Credit for federal tax paid on fuels (attach Form 4136)	23c					
	d Credit for federal telephone excise tax paid (attach Form 8913)	23d			2,255		
	e Add lines 23a through 23d					23e	2,255
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>					24	
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed					25	
	26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid					26	2,255
27 Enter amount from line 26 Credited to 2007 estimated tax Refunded					27	2,255	

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Signature of officer MARK W STONE		PRESIDENT	
	Date 9/17/07		Preparer's SSN or PTIN P00103249	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code HAMMERMAN, GRAF, HUGHES & COMPANY, INC. 4486 INDIAN RIPPLE ROAD DAYTON, OH 45440-3203		EIN 31-1183837	
			Phone no. 937-320-1262	

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	7,243,912
2	Purchases	2	8,235,253
3	Cost of labor	3	5,934,020
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement) STMT 3	5	2,996,322
6	Total. Add lines 1 through 5	6	24,409,507
7	Inventory at end of year	7	8,700,350
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	15,709,157

9a Check all methods used for valuing closing inventory: (i) ☒ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** ☐

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ MANUFACTURING b Product or service ▶ COMMERCIAL/ORDNANC		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		<input checked="" type="checkbox"/>
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		<input checked="" type="checkbox"/>
5 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
8 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
9 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Pro Rata Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1 -29,682
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Interest income	4 19,876
5 Dividends: a Ordinary dividends	5a
b Qualified dividends	5b
6 Royalties	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
b Collectibles (28%) gain (loss)	8b
c Unrecaptured section 1250 gain (attach statement)	8c
9 Net section 1231 gain (loss) (attach Form 4797)	9 35,417
10 Other income (loss) (see instructions) Type ▶	10

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type (2) Amount	12c(2)	
	d Other deductions (see instructions) Type SEE STMT 4	12d	9,807,083
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type	13d	
	e Other rental credits (see instructions) Type	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) Type	13g	
Foreign Transaction	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation	14k	
Other information			
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	113
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	19,876
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	25,611

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		555,847		
2a	Trade notes and accounts receivable	3,933,269		4,442,853	
b	Less allowance for bad debts	()	3,933,269	()	4,442,853
3	Inventories		7,243,912		8,700,350
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) STMT 5		188,577		562,256
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	29,425,875		29,638,777	
b	Less accumulated depreciation	(17,935,550)	11,490,325	(18,556,092)	11,082,685
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		379,234		379,234
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets		23,791,164		25,167,378
Liabilities and Shareholders' Equity					
16	Accounts payable		1,564,122		2,369,683
17	Mortgages, notes, bonds payable in less than 1 year		6,821,479		6,356,106
18	Other current liabilities (attach statement) STMT 6		260,962		237,256
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		5,102,245		5,911,554
21	Other liabilities (attach statement)				
22	Capital stock		12,700		12,700
23	Additional paid-in capital				
24	Retained earnings		10,029,656		10,280,079
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity		23,791,164		25,167,378

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 18). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	9,598,643	431,013
2	Ordinary income from page 1, line 21		
3	Other additions STMT 7	286,066	113
4	Loss from page 1, line 21	(29,682)	
5	Other reductions STMT 8	(6,074)	
6	Combine lines 1 through 5	9,848,953	431,126
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	9,848,953	431,126

Final K-1

☐ Amended K-1

Department of the Treasury
Internal Revenue Service

For calendar year 2006, or tax

year beginning _____
ending _____

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See back of form and separate instructions

▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

31-0568575

B Corporation's name, address, city, state, and ZIP code

GAYSTON CORPORATION

200 PIONEER BLVD
SPRINGBORO

OH 45066-1179

C IRS Center where corporation filed return

OGDEN, UT 84201

D ☐ Tax shelter registration number, if any _____

E	<input type="checkbox"/>	Check if Form 8271 is attached
---	--------------------------	--------------------------------

Part II Information About the Shareholder

F Shareholder's identifying number

301-38-6592

G Shareholder's name, address, city, state and ZIP code

MARK W STONE

1185 W ALEX BELL

DAYTON

OH 45459

H	Shareholder's percentage of stock ownership for tax year	100.000000 %
---	----------------------------------------------------------	--------------



For IRS Use Only

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) -29,682	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 19,876		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss) 35,417		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
P	Other deductions 9,251,965	A	113
Q	555,118		
		17	Other information
		A	19,876
* See attached statement for additional information.			

* See attached statement for additional information.

SCHEDULE M-3
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for S Corporations
With Total Assets of \$10 Million or More

▶ **Attach to Form 1120S.**
▶ **See separate instructions.**

OMB No. 1545-0130

2006

Name of corporation

GAYSTON CORPORATION

Employer identification number

31-0568575

Part I Financial Information and Net Income (Loss) Reconciliation

1a Did the corporation prepare a certified audited income statement for the period ending with or within this taxable year?

☒ **Yes.** Skip line 1b and complete lines 2 through 11 with respect to that income statement.

☐ **No.** Go to line 1b.

b Did the corporation prepare an income statement for that period?

☐ **Yes.** Complete lines 2 through 11 with respect to that income statement.

☐ **No.** Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4.

2 Enter the income statement period: Beginning 1/01/06 Ending 12/31/06

3a Has the corporation's income statement been restated for the income statement period on line 2?

☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)

☒ **No.**

3b Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?

☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)

☒ **No.**

4	Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4	250,423
5a	Net income from nonincludible foreign entities (attach schedule)	5a	()
b	Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	
6a	Net income from nonincludible U.S. entities (attach schedule)	6a	()
b	Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	
7a	Net income of other includible entities (attach schedule)	7a	
b	Net loss of other includible entities (attach schedule)	7b	()
8	Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)	8	
9	Adjustment to reconcile income statement period to tax year (attach schedule)	9	
10	Other adjustments to reconcile to amount on line 11 (attach schedule)	10	
11	Net income (loss) per income statement of the corporation. Combine lines 4 through 10	11	250,423

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule M-3 (Form 1120S) 2006

Name of corporation

GAYSTON CORPORATION

Employer identification number

31-0568575**Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends not eliminated in tax consolidation				
7 Income (loss) from U.S. partnerships (attach schedule)				
8 Income (loss) from foreign partnerships (attach schedule)				
9 Income (loss) from other pass-through entities (attach schedule)				
10 Items relating to reportable transactions (attach details)				
11 Interest income			-113	
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (attach Form 8916-A)				
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (att. details)				
g Other gain/loss on disposition of assets other than inventory		6,074		
22 Other income (loss) items with diff.				
23 Total income (loss) items. Combine lines 1 - 22		6,074	-113	
24 Total expense/deduction items (from Part III, line 30)		-230,773		
25 Other items with no differences				
26 Reconciliation totals. Combine lines 23 through 25	250,423	-224,699	-113	25,611

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Name of corporation

Employer identification number

31-0568575

Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return-Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Equity-based compensation				
8 Meals and entertainment				
9 Fines and penalties				
10 Judgments, damages, awards, and similar costs				
11 Pension and profit-sharing				
12 Other post-retirement benefits				
13 Deferred compensation				
14 Charitable contribution of cash and tangible property				
15 Charitable contribution of intangible property				
16 Current year acquisition or reorganization investment banking fees				
17 Current year acquisition or reorganization legal and accounting fees				
18 Current year acquisition/reorganization other costs				
19 Amortization/impairment of goodwill				
20 Amortization of acquisition, reorganization, and start-up costs				
21 Other amortization or impairment write-offs				
22 Section 198 environmental remediation costs				
23a Depletion-Oil & Gas				
b Depletion-Other than Oil & Gas				
24 Depreciation		230,773		
25 Bad debt expense				
26 Interest expense				
27 Corporate owned life insurance premiums				
28 Purchase versus lease (for purchasers and/or lessees)				
29 Other expense/deduction items with differences (attach schedule)				
30 Total expense/deduction items. Combine lines 1 through 29. Enter here and on Part II, line 24		230,773		

Schedule M-3 (Form 1120S) 2006

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2006

Attachment
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

GAYSTON CORPORATION

Identifying number

31-0568575

Business or activity to which this form relates

ALL BUSINESS ACTIVITIES

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	108,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7	Listed property. Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	77,730

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	818,009
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life		595,671		V	S/L	42,720
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	938,459
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2006)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ **Attach to your tax return.** ▶ **See separate instructions.**

OMB No. 1545-0184

2006

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

GAYSTON CORPORATION

31-0568575

1 Enter the gross proceeds from sales or exchanges reported to you for 2006 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
SEE STATEMENT 9						
2						35,417

3 Gain, if any, from Form 4684, line 42

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824

5

6 Gain, if any, from line 32, from other than casualty or theft

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

7

35,417

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7

11

12 Gain, if any, from line 7 or amount from line 8, if applicable

12

13 Gain, if any, from line 31

13

14 Net gain or (loss) from Form 4684, lines 34 and 41a

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

16

17 Combine lines 10 through 16

17

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

18b

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2006)

THERE ARE NO AMOUNTS FOR PAGE 2

Credit for Federal Telephone Excise Tax Paid

OMB No. 1545-2051

2006

Attachment
Sequence No. **63**

- ▶ See the separate instructions.
▶ Attach to your income tax return.

Name(s) as shown on your income tax return

GAYSTON CORPORATION

Identifying number

31-0568575

Enter the federal telephone excise tax billed during each period as listed in column (a) of lines 1-14 below.

By filing this form, you are certifying that you (1) have not received from your service provider a credit or refund of the tax paid on long distance service or bundled service billed after February 28, 2003, and before August 1, 2006, and (2) will not ask your provider for a credit or refund or have withdrawn any request submitted to the provider for a credit or refund.

Caution. See the instructions for explanations of the services that qualify for a credit or refund of the federal telephone excise tax.

**Amount of federal excise tax on long distance or
bundled service only**

(a) Bills dated during:	(b) Long distance service	(c) Bundled service	(d) Tax credit or refund (add columns (b) and (c))	(e) Interest (see instructions)
1 March, April, and May 2003	\$	\$	\$ 217	\$ 45
2 June, July, and August 2003			217	42
3 September, October, and November 2003			217	40
4 December 2003; January and February 2004			170	30
5 March, April, and May 2004			146	24
6 June, July, and August 2004			146	23
7 September, October, and November 2004			146	21
8 December 2004; January and February 2005			117	15
9 March, April, and May 2005			102	12
10 June, July, and August 2005			102	10
11 September, October, and November 2005			102	9
12 December 2005; January and February 2006			106	7
13 March, April, and May 2006			108	6
14 June and July 2006			72	3
15 Add lines 1-14 in columns (d) and (e)			\$ 1,968	\$ 287
16 Total credit or refund requested. Add columns (d) and (e) on line 15. Enter here and on Form 1040, line 71; Form 1040A, line 42; Form 1040EZ, line 9; Form 1040EZ-T, line 1a; Form 1040NR, line 69; Form 1040NR-EZ, line 21; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23d; Form 1041, line 24f; Form 1041-N, line 17; Form 1065, line 23; Form 990-T, line 44f; or the proper line of other returns				\$ 2,255

For Paperwork Reduction Act Notice, see page 2.

Form **8913** (2006)

Federal Statements**Statement 1 - Form 1120S, Page 1, Line 5 - Other Income**

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS INCOME	\$ 10,804
TOTAL	<u>\$ 10,804</u>

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
TELEPHONE	\$ 34,264
TRUCKING COSTS	28,413
TRAVEL	2,581
OFFICE SUPPLIES AND EXPENSES	26,913
PROFESSIONAL FEES	7,187
DISCOUNTS	91,809
ACCOUNTING SERVICES	52,526
DUES & SUBSCRIPTIONS	9,347
DATA PROCESSING SUPPLIES	8,867
LEGAL SERVICES	44,769
BANKING SERVICES	15,587
EMPLOYEE RECRUITMENT	16,015
COMMISSIONS	1,021
UTILITIES	38,496
PROFESSIONAL SERVICES	12,230
INSURANCE	7,560
SAFETY AND SECURITY	1,270
TOTAL	<u>\$ 398,855</u>

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

Description	Amount
PAYROLL TAXES	\$ 496,733
UTILITIES	1,192,547
TRAVEL	4,036
INSURANCE	570,713
SUPPLIES AND SERVICES	432,240
TAXES AND LICENSES	200,108
BURDEN IN INVENTORY	-626,800
TRUCKING COSTS	66,385
DEPRECIATION	660,360
TOTAL	\$ <u>2,996,322</u>

Statement 4 - Form 1120S, Page 3, Sch K, Line 12d - Domestic Production Activity Information

<u>Description</u>	<u>Amount</u>
QUAL PRODUCTION ACTIVITY INC	\$ 9,251,965
EMPLOYER'S W-2 WAGES	555,118
TOTAL	<u>\$ 9,807,083</u>

Federal Statements**Statement 5 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets**

Description	Beginning of Year	End of Year
PREPAID EXPENSES	\$ 188,577	\$ 562,256
TOTAL	\$ 188,577	\$ 562,256

Statement 6 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
OTHER CURRENT LIABILITIES	\$ 260,962	\$ 237,256
TOTAL	\$ 260,962	\$ 237,256

Statement 7 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
INTEREST INCOME	\$ 19,876
NET SEC 1231 GAIN	35,417
SCHEDULE M-3 ADJUSTMENTS	230,773
TOTAL	\$ 286,066

Statement 8 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

Description	Amount
4797 BOOK DIFFERENCE	\$ 6,074
TOTAL	\$ 6,074

Federal Statements

Statement 9 - Form 4797, Part I, Line 2 - Property Held More Than 1 Year

<u>Desc</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Depr Allowed</u>	<u>Basis</u>	<u>Gain or Loss</u>
CLEMCO-BNP220-900 ZERO BLAST EQUIP	12/31/00	5/25/06	\$ 10,000	\$ 21,497	\$ 25,080	\$ 6,417
BLISS-255 TON PRESS	10/22/84	3/07/06	9,000	39,500	39,500	9,000
NIAGRA-300 TON PRESS	8/21/86	3/07/06	20,000	37,500	37,500	20,000
TOTAL						<u>\$ 35,417</u>

Form

1120S**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0130

2007Department of the Treasury
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ See separate instructions.

For calendar year 2007 or tax year beginning _____, ending _____

A S election effective date 7/01/92	Use IRS label. Otherwise, print or type.	Name GAYSTON CORPORATION	D Employer identification number 31-0568575
B Business activity code number (see instructions) 332900		Number, street, and room or suite no. If a P.O. box, see instructions. 200 PIONEER BLVD	E Date incorporated 7/07/1954
C Check if Sch. M-3 attached <input checked="" type="checkbox"/>		City or town, state, and ZIP code SPRINGBORO OH 45066-1179	F Total assets (see instructions) \$ 25,382,268

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change
(4) ☐ Amended return (5) ☐ S election termination or revocation

I Enter the number of shareholders in the corporation at the end of the tax year **1****Caution.** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales 24,447,131	b Less returns and allowances	c Bal ▶	1c	24,447,131
	2 Cost of goods sold (Schedule A, line 8)			2	21,918,462
	3 Gross profit. Subtract line 2 from line 1c			3	2,528,669
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4	
	5 Other income (loss) (see instructions—attach statement) SEE STMT 1			5	5,400
	6 Total income (loss). Add lines 3 through 5			6	2,534,069
Deductions (see instructions for limitations)	7 Compensation of officers			7	794,011
	8 Salaries and wages (less employment credits)			8	362,286
	9 Repairs and maintenance			9	1,136
	10 Bad debts			10	20,459
	11 Rents			11	4,800
	12 Taxes and licenses			12	54,949
	13 Interest			13	941,117
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)			14	34,073
	15 Depletion (Do not deduct oil and gas depletion.)			15	
	16 Advertising			16	
	17 Pension, profit-sharing, etc., plans			17	21,042
	18 Employee benefit programs			18	15,371
	19 Other deductions (attach statement) SEE STMT 2			19	434,556
	20 Total deductions. Add lines 7 through 19			20	2,683,800
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	-149,731
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c	
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b (see instructions for additional taxes)				
	23a 2007 estimated tax payments and 2006 overpayment credited to 2007	23a		23d	
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c				
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26 Credited to 2008 estimated tax Refunded ▶			27		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ NoSignature of officer **MARK W STONE**

Date

PRESIDENT

Title

Preparer's
signature

Date

9/23/08

Check if

self-employed ☐

Preparer's SSN or PTIN

P00103249**Paid Preparer's Use Only**

Firm's name (or

yours if self-employed),

address, and ZIP code

HAMMERMAN, GRAF, HUGHES & COMPANY, INC.**4486 INDIAN RIPPLE ROAD****DAYTON, OH****45440-3203**EIN **31-1183837**

Phone no.

937-320-1262

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **1120S** (2007)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	8,700,350
2	Purchases	2	9,286,338
3	Cost of labor	3	6,862,344
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement) STMT 3	5	5,102,179
6	Total. Add lines 1 through 5	6	29,951,211
7	Inventory at end of year	7	8,032,749
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	21,918,462

9a Check all methods used for valuing closing inventory: (i) ☒ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** ☐

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ MANUFACTURING b Product or service ▶ COMMERCIAL/ORDNANC		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		<input checked="" type="checkbox"/>
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

Schedule K Shareholders' Pro Rata Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1 -149,731
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Interest income	4 19,796
5 Dividends: a Ordinary dividends	5a
b Qualified dividends	5b
6 Royalties	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
b Collectibles (28%) gain (loss)	8b
c Unrecaptured section 1250 gain (attach statement)	8c
9 Net section 1231 gain (loss) (attach Form 4797)	9
10 Other income (loss) (see instructions) Type ▶	10

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type (2) Amount	12c(2)	
	d Other deductions (see instructions) Type SEE STMT 4	12d	19,457,937
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type	13d	
	e Other rental credits (see instructions) Type	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) Type	13g	
Foreign Transactions	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement)	14k	
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	127
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	19,796
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	-129,935

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				-93,762
2a	Trade notes and accounts receivable	4,442,853		4,617,273	
b	Less allowance for bad debts	()	4,442,853	()	4,617,273
3	Inventories		8,700,350		8,032,749
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) STMT 5		562,256		248,922
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	29,638,777		30,761,147	
b	Less accumulated depreciation	(18,556,092)	11,082,685	(18,563,295)	12,197,852
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		379,234		379,234
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets		25,167,378		25,382,268
Liabilities and Shareholders' Equity					
16	Accounts payable		2,369,683		1,729,215
17	Mortgages, notes, bonds payable in less than 1 year		6,356,106		5,717,468
18	Other current liabilities (attach statement) STMT 6		237,256		152,019
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		5,911,554		6,853,555
21	Other liabilities (attach statement)				
22	Capital stock		12,700		12,700
23	Additional paid-in capital				
24	Retained earnings		10,280,079		10,917,311
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		25,167,378		25,382,268

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 18). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	9,848,953	431,126
2	Ordinary income from page 1, line 21		
3	Other additions STMT 7	786,836	127
4	Loss from page 1, line 21	(149,731)	
5	Other reductions	()	
6	Combine lines 1 through 5	10,486,058	431,253
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	10,486,058	431,253

**Schedule K-1
(Form 1120S)**Department of the Treasury
Internal Revenue Service**2007**

For calendar year 2007, or tax

year beginning 1/01/07
ending 12/31/07☐ Final K-1☐ Amended K-1**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Corporation**A** Corporation's employer identification number**31-0568575****B** Corporation's name, address, city, state, and ZIP code**GAYSTON CORPORATION****200 PIONEER BLVD
SPRINGBORO****OH 45066-1179****C** IRS Center where corporation filed return**E-FILE****Part II Information About the Shareholder****D** Shareholder's identifying number**301-38-6592****E** Shareholder's name, address, city, state, and ZIP code**MARK W STONE****1185 W ALEX BELL****DAYTON****OH 45459****F** Shareholder's percentage of stock
ownership for tax year100.000000 %**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss) -149,731	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 19,796		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16 A	Items affecting shareholder basis 127
12 P	Other deductions 11,801,581		
Q	7,656,356		
		17 A	Other information 19,796

* See attached statement for additional information.



For IRS Use Only

SCHEDULE M-3
(Form 1120S)Department of the Treasury
Internal Revenue Service**Net Income (Loss) Reconciliation for S Corporations**
With Total Assets of \$10 Million or More▶ **Attach to Form 1120S.**
▶ **See separate instructions.**

OMB No. 1545-0130

2007

Name of corporation

GAYSTON CORPORATION

Employer identification number

31-0568575**Part I** **Financial Information and Net Income (Loss) Reconciliation****1a** Did the corporation prepare a certified audited non-tax-basis income statement for the period ending with or within this tax year? (See instructions if multiple non-tax-basis income statements are prepared.)☒ **Yes.** Skip line 1b and complete lines 2 through 11 with respect to that income statement.
☐ **No.** Go to line 1b.**b** Did the corporation prepare a non-tax-basis income statement for that period?☐ **Yes.** Complete lines 2 through 11 with respect to that income statement.
☐ **No.** Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4.**2** Enter the income statement period: Beginning 1/01/07 Ending 12/31/07**3a** Has the corporation's income statement been restated for the income statement period on line 2?☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
☒ **No.****3b** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
☒ **No.**

4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4	635,265
5a Net income from nonincludible foreign entities (attach schedule)	5a	()
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b	
6a Net income from nonincludible U.S. entities (attach schedule)	6a	()
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b	
7a Net income (loss) of other disregarded entities (except qualified subchapter S subsidiaries) (attach schedule)	7a	
b Net income (loss) of other qualified subchapter S subsidiaries (QSubs) (attach schedule)	7b	
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)	8	
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9	
10 Other adjustments to reconcile to amount on line 11 (attach schedule)	10	
11 Net income (loss) per income statement of the corporation. Combine lines 4 through 10	11	635,265

For Paperwork Reduction Act Notice,
see the Instructions for Form 1120S.

Schedule M-3 (Form 1120S) 2007

Name of corporation

GAYSTON CORPORATION

Employer identification number

31-0568575**Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends not eliminated in tax consolidation				
7 Income (loss) from U.S. partnerships (attach schedule)				
8 Income (loss) from foreign partnerships (attach schedule)				
9 Income (loss) from other pass-through entities (attach schedule)				
10 Items relating to reportable transactions (attach details)				
11 Interest income (attach Form 8916-A)				
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (attach Form 8916-A)	()			()
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities		1,877		
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (att. details)				
g Other gain/loss on disposition of assets other than inventory				
22 Other income (loss) items with diff.				
23 Total income (loss) items. Combine lines 1 - 22		1,877		
24 Total expense/deduction items (from Part III, line 30)		-767,077		
25 Other items with no differences				
26 Reconciliation totals. Combine lines 23 through 25	635,265	-765,200		-129,935

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Name of corporation

GAYSTON CORPORATION

Employer identification number

31-0568575

Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income
(Loss) per Return—Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Equity-based compensation				
8 Meals and entertainment				
9 Fines and penalties				
10 Judgments, damages, awards, and similar costs				
11 Pension and profit-sharing				
12 Other post-retirement benefits				
13 Deferred compensation				
14 Charitable contribution of cash and tangible property				
15 Charitable contribution of intangible property				
16 Current year acquisition or reorganization investment banking fees				
17 Current year acquisition or reorganization legal and accounting fees				
18 Current year acquisition/reorganization other costs				
19 Amortization/impairment of goodwill				
20 Amortization of acquisition, reorganization, and start-up costs				
21 Other amortization or impairment write-offs				
22 Section 198 environmental remediation costs				
23a Depletion—Oil & Gas				
b Depletion—Other than Oil & Gas				
24 Depreciation		767,077		
25 Bad debt expense				
26 Interest expense (attach Form 8916-A)				
27 Corporate owned life insurance premiums				
28 Purchase versus lease (for purchasers and/or lessees)				
29 Other expense/deduction items with differences (attach schedule)				
30 Total expense/deduction items. Combine lines 1 through 29. Enter here and on Part II, line 24		767,077		

Schedule M-3 (Form 1120S) 2007

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2007Attachment
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

GAYSTON CORPORATION

Identifying number

31-0568575

Business or activity to which this form relates

ALL BUSINESS ACTIVITIES**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	35,199

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	748,999
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,731	5.0	MQ	S/L	303
c 7-year property		22,404	7.0	MQ	S/L	2,649
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life		1,349,849		V	S/L	46,518
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	833,668
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2007)

Federal Statements

FYE: 12/31/2007

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS INCOME	\$
OTHER INCOME	5,400
TOTAL	\$ 5,400

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
TRUCKING COSTS	\$ 26,064
TELEPHONE	38,477
DISCOUNTS	94,237
BANK CHARGES	18,402
TRAVEL	4,527
DUES & SUBSCRIPTIONS	2,895
DATA PROCESSING SUPPLIES	863
EMPLOYEE EDUCATION	4,927
EMPLOYEE RECRUITING	35,861
SALES EXPENSE	1,864
UTILITIES	36,318
SAFETY SECURITY	1,665
INSURANCE	3,221
LEGAL AND ACCOUNTING	140,431
OFFICE SUPPLIES	24,804
TOTAL	\$ 434,556

Federal Statements**Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs**

<u>Description</u>	<u>Amount</u>
PAYROLL TAXES	\$ 592,959
UTILITIES	1,372,524
TRAVEL	7,502
INSURANCE	565,662
EQUIPMENT RENTAL	71,929
TAXES & LICENSE	136,102
BURDEN IN INVENTORY	954,739
SUPPLIES AND SERVICE	601,167
DEPRECIATION	799,595
TOTAL	<u>\$ 5,102,179</u>

Federal Statements**Statement 4 - Form 1120S, Page 3, Sch K, Line 12d - Domestic Production Activity Information**

<u>Description</u>	<u>Amount</u>
QUAL PRODUCTION ACTIVITY INC	\$ 11,801,581
EMPLOYER'S W-2 WAGES	<u>7,656,356</u>
TOTAL	<u>\$ 19,457,937</u>

Federal Statements

31-0568575

FYE: 12/31/2007

Statement 5 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID EXPENSES	\$ 562,256	\$ 248,922
TOTAL	\$ 562,256	\$ 248,922

Statement 6 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
OTHER CURRENT LIABILITIES	\$ 237,256	\$ 152,019
OTHER CURRENT LIABILITIES		152,019
TOTAL	\$ 237,256	\$ 152,019

Statement 7 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
MISCELLANEOUS	\$ 26,608
INTEREST INCOME	19,796
SCHEDULE M-3 ADJUSTMENTS	740,432
TOTAL	\$ 786,836

GOES

LOOSE LEAF

CORPORATION RECORD

for

OHIO

No. 15

RECORD

OF

PROCEEDINGS

OF THE

Incorporators, Stockholders and Directors

OF

GAYSTON CORPORATION

The

Company

OF

Dayton, Ohio

For Sale by

PROCEEDINGS OF THE INCORPORATORS

On the 7th day of July 19 54

the persons named below as subscribers to the articles of incorporation, desiring for themselves, their associates, successors and assigns, to become a body corporate, in accordance with the general corporation laws of the State of Ohio, under the name and style of

GAYSTON CORPORATION

(Name of Corporation)

and with all the corporate rights, powers, privileges and liabilities enjoyed under or imposed by such laws, did subscribe and acknowledge, as required by law, articles of incorporation, which articles, together with

the certificate of acknowledgment, were, on the 7th day of July

1954, duly filed in the office of the Secretary of State, at Columbus, Ohio, and by him recorded, and a certified copy thereof, of which the following is a true and correct copy, by him furnished to said subscribers:

Filed July 1st, 1954

Corporation No. 240948

ARTICLES OF INCORPORATION OF

GAYSTON CORPORATION

The undersigned, a majority of whom are citizens of the United States, desiring to form a corporation for profit, under the General Corporation Act of Ohio, do hereby certify:

FIRST: The name of said corporation shall be GAYSTON CORPORATION

SECOND: The place in the State of Ohio where its principal office is to be located is

Dayton

in

Montgomery

County

(City, Village or Township)

THIRD: The purpose or purposes for which it is formed are:

To Manufacture, buy, sell, lease, license, design and otherwise deal in the manufacture of goods, wares and merchandise and personal property of every class and description including but not limited to electrical parts and equipment and mechanical devices;

To do everything incidental and necessary to carrying the foregoing purposes into effect.

PROCEEDINGS OF THE INCORPORATORS

FOURTH. The maximum number of shares which the corporation is authorized to have outstanding is Five Hundred, which shall be classified as follows:

(Here state designation, maximum numbers and par value, if any, of shares of each class, and the relative rights, restrictions and qualifications of each class.)

*All of which shall be with a par value of _____ Dollars each.

*All of which shall be without par value.

(\$ _____)

PROCEEDINGS OF THE INCORPORATORS

FIFTH. The amount of capital with which the corporation will begin business is

Five Hundred (\$ 500.00) Dollars.

SIXTH. Subscriptions for shares without par value may be received by the undersigned at -

(\$ - -) Dollars for each share.

*Shares shall be presently issued for the following considerations other than cash.

*(a) - Number and description of such shares:

*(b) - Description of the consideration other than cash to be received for such shares:

*(c) - The valuation at which such property is to be received is -

(\$ - -) Dollars.

*SEVENTH. - The following provisions are hereby agreed to for the purpose of defining, limiting and regulating the exercise of the authority of the corporation, or of the directors, or of the shareholders, or of any class of shareholders, or for the purpose of creating and defining rights and privileges of the shareholders among themselves:

PROCEEDINGS OF THE INCORPORATORS

IN WITNESS WHEREOF, we have hereunto subscribed our names, this 1st day of July, 19 54.

S/ John D. Gayer

S/ Paul H. Stone, Jr.

S/ Lloyd H. O'Hara

THE STATE OF OHIO, COUNTY OF Montgomery, SS.

Personally appeared before me, the undersigned, a Notary Public, in and for said county, this 1st day of July, 19 54, the above named John D. Gayer, Paul H. Stone, Jr., and Lloyd H. O'Hara, who each severally acknowledged the signing of the foregoing articles of incorporation to be his free act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal on the day and year last aforesaid.

S/ Betty Jean Shoup

Notary Public

UNITED STATES OF AMERICA, STATE OF OHIO, OFFICE OF THE SECRETARY OF STATE

I, TED W. BROWN, Secretary of State of the State of Ohio, do hereby certify that the foregoing is an exemplified copy, carefully compared by me with the original record now in my official custody as Secretary of State, and found to be true and correct, of the Articles of Incorporation of RAYSTON CORPORATION

(Name of Corporation)

filed in this office on the 6th day of July, 19 54, and recorded in Volume 682 Page 606, of the Record of Incorporations.

Witness my hand and official seal at Columbus, this 6th day of July, 19 54.

(SEAL)

S/ Ted W. Brown

Secretary of State

Original Appointment of Agent
Ohio Corporation
Section 8623-129, General Code

KNOW ALL MEN BY THESE PRESENTS, That LLOYD H. O'HARA
(Name of Agent)
of 1012 Third National Bldg. in Dayton, Montgomery County, Ohio,
(Street or Avenue)
a natural person and resident of said County, being the County in which the principal office of
GAYSTON CORPORATION is located, is hereby appointed as the person on whom process, tax
(Name of Corporation)
notices and demands against said GAYSTON CORPORATION may be served.
(Name of Corporation)

GAYSTON CORPORATION
(Name of Corporation)

S/ John D. Gayer

S/ Paul H. Stone, Jr.

GAYSTON CORPORATION
(Incorporators)
(To be executed by all or a majority of the
incorporators at the time of organization.)

Dayton Ohio

July 1 A. D. 19 54

Gentlemen: I hereby accept the appointment as the representative of your company upon whom
process, tax notices, or demands may be served.

S/ Lloyd H. O'Hara

State of Ohio,

County of Montgomery SS:

Personally appeared before me, the undersigned, a Notary Public in and for said County, this 1st
day of July, A. D. 19 54, the above named Lloyd H. O'Hara
who acknowledged the signing of the foregoing to be his free act and deed for the uses and purposes therein
mentioned.

WITNESS my hand and official seal on the day and year last aforesaid.

S/ Betty Jean Shoup
(Notary Public in and for)

PROCEEDINGS OF THE INCORPORATORS

On this 7th day of July 19 54, at least a majority of the incorporators of

GAYSTON CORPORATION

(Name of Corporation)

met at 1012 Third National Bldg., Dayton, Ohio

to order the opening of books of subscription for shares of said corporation, to fix the time and place for such opening and waive the notice of such meeting; and having agreed upon such time and place the following order for the opening of such books of subscription was made in writing by at least a majority of the subscribers to the articles of incorporation of said corporation.

ORDER FOR AND WAIVER OF NOTICE OF THE OPENING OF BOOKS OF
SUBSCRIPTION AND DECLARATION OF VALUE OF THE SHARES OF

GAYSTON CORPORATION

(Name of Corporation)

Dayton Ohio

July 7 19 54

GAYSTON CORPORATION

(Name of Corporation)

We, the undersigned, being at least a majority of the incorporators do hereby waive notice of the time and place of such opening of books of subscription, and do hereby order that books be opened for subscription to the shares of said Corporation at 1012 Third National Bldg.

in the City of Dayton Montgomery County, Ohio

on the 7th day of July 19 54, at 2 o'clock P M.

*And we do hereby fix and declare the consideration to be received by the Corporation for the shares without par value at:

One Hundred (\$ 100.00) Dollars per share for common shares, and

(\$) Dollars per share for preferred shares.

Paul H. Stone Jr.
John D. Gayson

In accordance with the foregoing order, books of subscription to the shares were opened at 1012 Third National Building, Dayton, Ohio

on the 7th day of July, 19 54, at 2 o'clock P M.

and the following subscriptions were received:

*Cross out if not required.

(Name of Corporation)

(Name of Corporation)

or its equivalent

[illegible]

PROCEEDINGS OF THE INCORPORATORS

NOTICE OF SHAREHOLDERS' MEETING

We, the undersigned, being a majority of the incorporators of

GAYSTON CORPORATION

(Name of Corporation)

having opened the books of subscription at the place and on the day and date designated, and subscriptions for shares having been made in an amount at least equal to the capital stated in the articles as that with which the corporation will begin business, do hereby give notice that the first meeting of the shareholders is called to meet at **1012 Third National Building, Dayton, Ohio**

on the **7th** day of **July** 19**54**, at **2** o'clock

P.M. for the election of directors and the transaction of such other business as may come before such meeting.

John D. Gay
Paul H. Stone

Here enter proof of notice, if not waived.

FRANK J. LAUSCHE
Governor



W. HARPER ANNAT
Director of Commerce

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES
COLUMBUS 15

Edmond H. Savord
CHIEF OF DIVISION

CERTIFICATE

0

Acknowledging Registration of Securities Transactions Pursuant to Section 1707.06, R. C.

Issuer: GAYSTON CORPORATION File No.: 7 3 9 5 0

The Division of Securities has received for filing a description pursuant to the provisions of Paragraph 1 of Section 1707.06, R. C., relating to proposed sales by Issuer of the following securities:

500 shares, common stock, no par value, to be sold at \$100.00
per share.

The Division acknowledges receipt of the statutory \$10.00 fee applicable to the filing of said description and advises that the registration is effective as of July 3, 1954.
An offering and sale of the securities registered may be made pursuant to the terms of the description. A sale on any other terms will require a new registration.

The Division has also recorded Issuer's claim of an exempt initial sale, pursuant to Section 1707.03 (P), R. C., of certain of Issuer's voting shares described as follows:

None

The acknowledgment does not constitute an approval of the securities above described nor of the terms of their sale. Responsibility for the truthfulness of the information given in said filing and for adherence to the plan of sale therein set forth rests with the Issuer, subject to the continuing jurisdiction of the Division of Securities as provided in Sections 1707.01 to 1707.45, inc., R. C., including the disciplinary powers set forth in Section 1707.13, R. C.

Mr. Lloyd H. O'Hara
Attorney at Law
1012 Third National Building
Dayton, Ohio

Edmond H. Savord
CHIEF OF DIVISION

July 8, 1954

DATE

WBW:ms

W. B. Wilson
W. B. WILSON
ATTORNEY EXAMINER

0

GAYSTON CORPORATION

FINANCIAL STATEMENTS

For the Years Ended
December 31, 2005 and 2004

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**HAMMERMAN
GRAF, HUGHES
& COMPANY, INC.**

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Gayston Corporation
Springboro, Ohio

**Certified
Public
Accountants**

4486 Indian Ripple Road
Dayton, OH 45440-3203
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Members
American Institute
of Certified
Public Accountants

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Donald E. Stewart, CPA, CFP
Andrew H. Scholes, CPA
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Richard D. Dailey, CPA

Rita A. Kloenne, CPA
Todd M. Williams, CPA
Julie M. Buschur, CPA
Eileen A. Hartlage, CPA
Cindy Stafford, CPA

We have audited the accompanying balance sheets of Gayston Corporation (an Ohio S corporation) as of December 31, 2005 and 2004, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gayston Corporation as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hammerman, Graf, Hughes & Co.

Springboro, Ohio
October 2, 2006

GAYSTON CORPORATION

BALANCE SHEETS

December 31, 2005 and 2004

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	\$ 555 847	\$ 90 856
Accounts receivable	3 198 973	2 220 140
Notes receivable	184 275	186 875
Inventory	7 243 912	6 808 179
Prepaid expenses	<u>190 487</u>	<u>216 094</u>
Total current assets	11 373 494	9 522 144
 NOTES RECEIVABLE - LONG - TERM	 548 112	 684 300
 PROPERTY AND EQUIPMENT - AT COST		
Land	379 234	379 234
Land improvements	341 126	341 126
Manufacturing plant	6 519 398	6 456 045
Real estate	1 128 790	1 128 790
Machinery and other equipment	<u>21 436 560</u>	<u>21 656 513</u>
	29 805 108	29 961 708
Less accumulated depreciation	<u>17 935 550</u>	<u>17 341 760</u>
	<u>11 869 558</u>	<u>12 619 948</u>
	<u>\$ 23 791 164</u>	<u>\$ 22 826 392</u>

	2005	2004
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Note payable	\$ 6 821 479	\$ 6 010 007
Current maturities of long-term debt	180 488	332 732
Accounts payable - trade	1 564 123	2 387 032
Accrued liabilities	<u>260 961</u>	<u>335 200</u>
Total current liabilities	8 827 051	9 064 971
 LONG-TERM DEBT	 4 921 757	 4 123 195
 LEASE COMMITMENT		
 STOCKHOLDER'S EQUITY		
Common stock - authorized, 500 shares without par value; issued and out- standing, 127 shares at stated value of \$100 a share	12 700	12 700
Retained earnings	<u>10 029 656</u>	<u>9 625 526</u>
	<u>10 042 356</u>	<u>9 638 226</u>
	<u>\$ 23 791 164</u>	<u>\$ 22 826 392</u>

GAYSTON CORPORATION

STATEMENTS OF INCOME

Years Ended December 31, 2005 and 2004

	2005	% of	2004	% of
	<u>Amount</u>	<u>Net Sales</u>	<u>Amount</u>	<u>Net Sales</u>
Net sales	\$ 20 348 276	100.00	\$ 18 746 527	100.00
Cost of goods sold				
Manufacturing costs	10 319 989	50.72	10 207 539	54.45
Indirect manufacturing expenses	<u>7 482 652</u>	<u>36.77</u>	<u>6 761 981</u>	<u>36.07</u>
	<u>17 802 641</u>	<u>87.49</u>	<u>16 969 520</u>	<u>90.52</u>
Gross profit	2 545 635	12.51	1 777 007	9.48
Operating expenses				
Administrative expenses	1 086 828	5.34	756 936	4.04
Selling expenses	<u>204 311</u>	<u>1.01</u>	<u>221 067</u>	<u>1.18</u>
	<u>1 291 139</u>	<u>6.35</u>	<u>978 003</u>	<u>5.22</u>
Operating profit	1 254 496	6.16	799 004	4.26
Other income (deductions)				
Interest income	12 741	.06	4 624	.02
Miscellaneous	15 992	.08	11 546	.06
Property expense, net	(136 910)	(.67)	(180 406)	(.96)
Interest expense	(710 621)	(3.49)	(395 292)	(2.11)
Gain (loss) on disposal of assets	<u>(31 568)</u>	<u>(.16)</u>	<u>(8 009)</u>	<u>(.04)</u>
	<u>(850 366)</u>	<u>(4.18)</u>	<u>(567 537)</u>	<u>(3.03)</u>
NET INCOME	<u>\$ 404 130</u>	<u>1.98</u>	<u>\$ 231 467</u>	<u>1.23</u>

See Accompanying Notes to Financial Statements.

GAYSTON CORPORATION

STATEMENTS OF RETAINED EARNINGS

Years Ended December 31, 2005 and 2004

	2005	2004
Retained earnings at beginning of year	\$ 9 625 526	\$ 9 544 059
Net income for year	404 130	231 467
Distribution	<u>-</u>	<u>(150 000)</u>
Retained earnings at end of year	<u>\$ 10 029 656</u>	<u>\$ 9 625 526</u>

GAYSTON CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Net income	\$ 404 130	\$ 231 467
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	703 246	652 218
Amortization of start-up expenses	525 100	-
(Gain) loss on sale of assets	31 568	8 009
Changes in operating assets and liabilities:		
Accounts receivable	(840 045)	549 160
Inventory	(435 733)	(2 004 560)
Prepaid expenses	25 607	(73 821)
Accounts payable	(822 909)	174 430
Accrued liabilities	(74 239)	(191 146)
Net cash (used in) operating activities	(483 275)	(654 243)
Cash flows from investing activities:		
Purchase of fixed assets	(535 024)	(2 282 176)
Proceeds from sale of fixed assets	25 500	6 000
Net cash (used in) investing Activities	(509 524)	(2 276 176)
Cash flows from financing activities:		
Acquisition of long - term debt	890 000	2 453 940
Acquisition of short - term debt	811 472	1 033 822
Principal payments on long-term debt	(243 682)	(395 629)
Distributions	-	(150 000)
Net cash provided by financing activities	1 457 790	2 942 133
Net increase (decrease) in cash	464 991	11 714
Cash at beginning of year	90 856	79 142
Cash at end of year	\$ 555 847	\$ 90 856

NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Significant Accounting Policies****Nature of Operations**

Gayston Corporation (the Company) is engaged in extruded metal processing for various industries.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method for financial statement purposes. Straight-line and declining-balance methods are used for tax purposes for nonrecovery property purchased before January 1, 1981, and the accelerated cost recovery system (ACRS) for recovery property purchased after December 31, 1980.

Depreciation for all property and equipment was \$703,246 and \$652,218 for the years ending December 31, 2005 and 2004, respectively.

Retirement Plans

The Company has a contributory profit sharing plan covering employees with one year of service not covered by the labor agreement. Annual employer contributions to the plan are set by the Board of Directors. No contributions to the profit sharing plan were made for the years ending December 31, 2005 and 2004. The plan was initiated in 1981. In 1996, the Company established a 401(k) plan for employees in the profit sharing plan and made \$-0- and \$-0- matching contributions for the years ending December 31, 2005 and 2004, respectively, to those employees with elective deferrals.

In 2006, a separate 401(k) plan was established for employees covered by a collective bargaining agreement.

NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Significant Accounting Policies (Continued)****Statements of Cash Flows**

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Interest Expense

The amount of interest paid was \$710,621 and \$395,292 for the periods ending December 31, 2005 and 2004, respectively.

Income Taxes

The Company has elected S corporation status effective July 1, 1992. Earnings and losses after that date are included in the personal income tax returns of the stockholder and taxed depending on his personal tax strategies. Accordingly, the Company does not include a provision for federal or state income taxes. No income taxes were paid in the years ended December 31, 2005 and 2004.

Compensated Absences

The Company has not accrued for compensated absences because that amount cannot be reasonably estimated.

Note 2 **Accounts Receivable**

	2005	2004
Customers	\$ 3 131 577	\$ 2 091 894
Employees and others	13 893	78 882
Officers	<u>53 503</u>	<u>49 364</u>
	<u>\$ 3 198 973</u>	<u>\$ 2 220 140</u>

Note 3 **Notes Receivable**

The Company has a note with an employee payable in monthly installments of \$200 including interest at 4.72%, final payment due February, 2024. The balance was \$29,256 and \$29,070 at December 31, 2005 and 2004, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 3 **Notes Receivable (Continued)**

The Company has a note with an employee payable in weekly installments of \$42 including interest at 7.5%, final payment due September, 2005. The balance was \$9,565 and \$8,867 at December, 2005 and 2004, respectively.

The Company has a note with a related company payable in monthly installments of \$15,000 plus interest at 1.45%. Final payment due August, 2009. Inventory served as collateral. The balance was \$653,238 at December, 2005.

The company has a note with a company payable in monthly installments of \$747. Final payment due June, 2010. The balance at December 31, 2005 was \$40,327.

Note 4 **Inventory**

Inventory is stated at the lower of cost (principally average cost) or market, and consists of the following:

	2005	2004
Material	\$ 2 599 839	\$ 3 272 880
Labor	1 190 173	1 008 242
Burden	<u>3 453 900</u>	<u>2 527 057</u>
	<u>\$ 7 243 912</u>	<u>\$ 6 808 179</u>

NOTES TO FINANCIAL STATEMENTS

Note 5 **Prepaid Expenses**

Prepaid expenses consist of the following:

	2005	2004
Prepaid interest	\$ -	\$ 324
Prepaid insurance	77 697	74 114
Prepaid expenses	<u>112 790</u>	<u>141 656</u>
	<u>\$ 190 487</u>	<u>\$ 216 094</u>

Note 6 **Note Payable and Long-Term Debt**

The Company had a line of credit with the bank with \$6,000,000 available. The outstanding balance was \$4,976,185 at December 31, 2004. The line is secured and is renewable on May 31, 2005.

The following represents the long-term debt of the Company, net of interest:

	2005	2004
7.27% mortgage loan payable in monthly installments of \$39,698 including interest, final payment due August, 2025, secured by real estate.	\$ 4 974 572	\$ 4 325 000
Equipment loan payables in monthly installments of various amounts payment due April, 2007. Secured by piece of equipment.	127 673	130 927

NOTES TO FINANCIAL STATEMENTS

Note 6 **Note Payable and Long-Term Debt (Continued)**

	5 102 245	4 455 927
Less current maturities of long-term debt	<u>180 488</u>	<u>332 732</u>
	<u>\$ 4 921 757</u>	<u>\$ 4 123 195</u>

Maturities of long-term debt for each of the next five years and thereafter are as follows:

2005	\$ 180 488
2006	161 366
2007	156 894
2008	159 672
2009	158 525
later years	<u>4 285 300</u>
	<u>\$ 5 102 245</u>

Note 7 **Accrued Liabilities**

Accrued liabilities consist of the following:

	2005	2004
Property and other taxes	\$ 172 330	\$ 182 253
Other expenses	30 000	90 000
Payroll, withheld and accrued payroll taxes	<u>58 631</u>	<u>62 947</u>
	<u>\$ 260 961</u>	<u>\$ 335 200</u>

Note 8 **Lease Commitments**

The Company leases various pieces of equipment and vehicles. The charges to operations for leased equipment were \$97,133 and \$66,402 for the periods ended December 31, 2005 and 2004. The leases in effect at December 31, 2005 require various monthly payments.

NOTES TO FINANCIAL STATEMENTS

Note 8 **Lease Commitments (Continued)**

The approximate annual minimum lease payments under noncancellable operating leases as of December 31, 2005 were:

2006	\$ 282 236
2007	257 820
2008	232 429
2009	182 838
2010	121 107

Note 9 **Concentration of Credit Risk**

The Company manufactures parts for the automotive and recreation industries and ordinance for government contractors and issues credit under binding contracts to these customers. The accounts receivable due from three companies amounted to \$1,712,871 at December 31, 2005 and \$1,816,426 from three companies at December 31, 2004. There is no collateral on these receivables.

Note 10 **Settlement Charges**

The Company agreed in 1996 to pay the City of Dayton \$15,000 per quarter for 10 years for sewer charges related to the environmental cleanup at its Janney Road Property. A total of \$600,000 was accrued at December 31, 1986. The remaining balances of the settlement amount were \$30,000 and \$90,000 at December 31, 2005 and 2004, respectively. The final payment was made in 2006.

GAYSTON CORPORATION

FINANCIAL STATEMENTS

For the Years Ended
December 31, 2007 and 2006

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**HAMMERMAN
GRAF, HUGHES
& COMPANY, INC.**

Certified Public Accountants

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Julie M. Buschur, CPA
Eileen A. Hartlage, CPA
Sandy Curtis, CPA

**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS**

To The Board of Directors
Gayston Corporation, Springboro, Ohio

We have audited the accompanying balance sheets of Gayston Corporation (an Ohio S corporation) as of December 31, 2007 and 2006, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gayston Corporation as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hammerman, Graf, Hughes & Co.

Dayton, Ohio
November 4, 2008

GAYSTON CORPORATION

BALANCE SHEETS

December 31, 2007 and 2006

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	4,393,690	3,750,781
Accounts receivable, related party	-	62,865
Employee advances	88,113	80,591
Notes receivable	93,238	184,275
Inventory	8,032,749	8,700,350
Prepaid expenses	<u>248,922</u>	<u>563,688</u>
 Total current assets	 12,856,712	 13,342,550
 NOTES RECEIVABLE - LONG-TERM	 42,232	 362,909
 PROPERTY AND EQUIPMENT - AT COST		
Land	379,234	379,234
Land improvements	341,125	341,125
Manufacturing plant	6,737,586	6,609,641
Real estate	1,128,790	1,128,790
Machinery and other equipment	<u>22,553,646</u>	<u>21,559,221</u>
	31,140,381	30,018,011
 Less accumulated depreciation	 <u>18,563,295</u>	 <u>18,556,092</u>
	<u>12,577,086</u>	<u>11,461,919</u>
	<u>\$25,476,030</u>	<u>\$25,167,378</u>

2007

2006

LIABILITIES AND STOCKHOLDER'S EQUITY**CURRENT LIABILITIES**

Overdrafts	\$ 93,762	\$ 147,369
Line of credit	5,312,301	5,960,439
Current maturities of long-term debt	405,168	395,668
Accounts payable, trade	1,729,214	2,222,314
Accrued liabilities	<u>152,019</u>	<u>237,256</u>

Total current liabilities	7,692,464	8,963,046
---------------------------	-----------	-----------

**LONG TERM DEBT - NET OF CURRENT
MATURITIES**

6,853,555	5,911,553
-----------	-----------

STOCKHOLDER'S EQUITY

Common stock - authorized, 500
shares without par value; issued
and outstanding, 127 shares at
stated value of \$100 a share

12,700	12,700
<u>10,917,311</u>	<u>10,280,079</u>
<u>10,930,011</u>	<u>10,292,779</u>
<u>\$25,476,030</u>	<u>\$25,167,378</u>

GAYSTON CORPORATION

STATEMENTS OF INCOME

Years Ended December 31, 2007 and 2006

	2007 Amount	% of Net Sales	2006 Amount	% of Net Sales
Net sales	\$24,447,131	100.00	\$18,326,797	100.00
Cost of goods sold				
Manufacturing costs	12,645,550	51.73	9,046,419	49.36
Indirect manufacturing costs	<u>8,510,413</u>	<u>34.81</u>	<u>6,662,738</u>	<u>36.36</u>
Gross profit	3,291,168	13.46	2,617,640	14.28
Operating expenses				
Administrative	1,495,475	6.12	1,071,246	5.84
Selling	<u>147,823</u>	<u>0.60</u>	<u>338,892</u>	<u>1.85</u>
	<u>1,643,298</u>	<u>6.72</u>	<u>1,410,138</u>	<u>7.69</u>
Operating profit	1,647,870	6.74	1,207,502	6.59
Other income (expenses)				
Interest income	19,923	0.08	19,989	0.11
Other	5,400	0.02	10,805	0.06
Property maintenance	(92,967)	(0.38)	(102,132)	(0.56)
Interest expense	(941,117)	(3.85)	(915,112)	(4.99)
Gain (loss) on disposal of property and equipment	<u>(1,877)</u>	<u>(0.01)</u>	<u>29,371</u>	<u>0.16</u>
	<u>(1,010,638)</u>	<u>(4.14)</u>	<u>(957,079)</u>	<u>(5.22)</u>
Net income	<u>\$ 637,232</u>	<u>2.60</u>	<u>\$ 250,423</u>	<u>1.37</u>

See accompanying notes.

GAYSTON CORPORATION

STATEMENTS OF RETAINED EARNINGS

Years Ended December 31, 2007 and 2006

	2007	2006
Retained earnings at beginning of year	\$10,280,079	\$10,029,656
Net income for the year	<u>637,232</u>	<u>250,423</u>
Retained earnings at end of year	<u>\$10,917,311</u>	<u>\$10,280,079</u>

GAYSTON CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2007 and 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 637,232	\$ 250,423
Adjustments to reconcile net income to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	66,591	707,686
Loss (gain) on sale of property and equipment	1,877	(29,371)
Change in operating assets and liabilities:		
Accounts receivable	(642,909)	(682,069)
Inventory	667,601	(1,456,438)
Prepaid expenses	314,766	(373,201)
Accounts payable	(493,100)	658,191
Accrued liabilities	(85,237)	(23,705)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	466,821	(948,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Employee advances	55,343	(13,194)
Payments on notes receivable	411,714	185,202
Purchases of property and equipment	(1,183,635)	(309,676)
Proceeds from the sale of property and equipment	-	39,000
NET CASH USED IN INVESTING ACTIVITIES	(716,578)	(98,668)
CASH FLOWS FROM FINANCING ACTIVITIES		
Overdrafts	(53,607)	147,369
(Repayment) advances on line of credit, net	(648,138)	94,354
Proceeds from long-term debt	2,500,000	1,129,865
Principal payments on long-term debt	(1,548,498)	(880,283)
NET CASH PROVIDED BY FINANCING ACTIVITIES	249,757	491,305
NET (DECREASE) INCREASE IN CASH	-	(555,847)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	555,847
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ -	\$ -

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Significant Accounting Policies****Nature of Operations**

Gayston Corporation (the Company) is engaged in extruded metal processing for various industries.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company records revenue when products are shipped to customers.

Financial Instruments

The carrying amount of cash, cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate fair value because of the immediate or short-term maturity of these financial instruments. The recorded value of notes receivable, current maturities of long-term debt and long-term debt approximate their fair values, as interest rates associated with these financial instruments approximate market rates.

Cash and Cash Equivalents

Cash consists of cash on deposit that can be redeemed on demand. The Company maintains its cash balances with high quality financial institutions which at times, may exceed federally insured limits. Cash equivalents consist of highly liquid investments in money market funds. For the purposes of the statements of cash flows the Company combines cash and cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Significant Accounting Policies (Continued)****Accounts Receivable and Concentration of Risk**

Accounts receivable potentially subject the Company to concentrations of credit risk. The Company's customers are primarily manufacturers in the automotive and recreation industries and government contractors located in the midwest region of the United States. Accounts receivable represents amounts due from these manufacturers and contractors. The Company performs ongoing credit evaluations of its customers' financial conditions and, generally, does not require collateral. The Company has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debt; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. The Company writes off specific accounts based on an ongoing review of collectibility as well as management's past experience with the customer. If amounts become uncollectible they will be charged to operations when that determination is made. The Company had \$20,459 in bad debt expense in 2007. The Company had \$100,814 in bad debt expense in 2006. The Company's contract terms are typically 30 days and receivables are considered past due based on the particular negotiated contract terms. Three customers accounted for approximately 38% and 60% of the Company's revenue during 2007 and 2006, respectively. An aggregate of approximately 77% and 51% of the Company's outstanding accounts receivable as of December 31, 2007 and 2006, respectively, were due from three customers.

Employee Advances

Advances made to employees are uncollateralized, due on demand and bear no rate of interest.

Notes Receivable

Notes receivable consist of notes to related parties, employees and a customer. The notes require monthly payments, mature at various times through 2010 and carry interest rates ranging from 1.45% to 7.5%.

NOTES TO FINANCIAL STATEMENTS

Note 1 **Summary of Significant Accounting Policies (Continued)****Inventory**

Inventory is recorded at the lower of average cost or market.

Property and Equipment and Depreciation

Property and equipment are recorded at cost. Expenditures for major additions and improvements are charged to expense as incurred. Renewals and betterments, which substantially increase the life of the property and equipment, are capitalized. At retirement or sale, the costs of the assets, less related accumulated depreciation, are removed from the accounts and resulting gains and losses are included in income. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives are; twenty years for land improvements, fifteen to thirty-nine years for the manufacturing plant, five to thirty-nine years for real estate, and five to twenty-five years for machinery and other equipment. Depreciation expense was \$66,591 and \$707,686 for 2007 and 2006, respectively.

Retirement Plans

The Company has a contributory profit sharing plan covering employees with one year of service not covered by the labor agreement. Annual employer contributions to the plan are set by the Board of Directors. No contributions to the profit sharing plan were made for the years ending December 31, 2007 and 2006.

The Company has a 401(k) plan for employees in the profit sharing plan. The Company makes discretionary matching contributions. There were no matching contributions in 2007 or 2006.

In 2006, a separate 401(k) plan was established for employees covered by a labor agreement. The Company is required to provide a 50% matching contribution for an established level of employee contributions with the match being applicable only to the first 3% of the employee compensation. The amount of the Company's contribution was not material to the financial statements in 2007 or 2006.

NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Company, with the consent of its shareholder, has elected under the Internal Revenue Code to be taxed as an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their share of the Company's taxable income. Therefore, no provision or liability for federal or state taxes has been included in the financial statements.

Compensated Absences

The Company has not accrued for compensated absences because that amount cannot be reasonably estimated.

Reclassifications

Certain reclassifications have been made to prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Note 2 Notes Receivable

The Company has a note with a related company payable in monthly installments of \$15,000 plus interest at 1.45%, is uncollateralized and matures August, 2009. The balance was \$93,239 and \$473,238 at December 31, 2007 and 2006, respectively.

The Company has a note with an employee payable in monthly installments of \$200 including interest, is uncollateralized and bears interest at 4.72%. The balance was \$31,100 and \$29,650 at December 31, 2007 and 2006, respectively.

The Company has a note with an employee that is uncollateralized and bears interest at 7.5%. The balance was \$11,131 and \$10,319 at December 31, 2007 and 2006, respectively.

The company had a note with a Company which was paid in full during 2007. The balance was \$33,977 at December 31, 2006.

NOTES TO FINANCIAL STATEMENTS

Note 4 **Inventory**

Inventory consists of the following:

	2007	2006
Material	\$ 3,468,369	\$ 2,884,141
Labor	1,094,737	1,476,092
Burden	<u>3,469,643</u>	<u>4,340,117</u>
	<u>\$ 8,032,749</u>	<u>\$ 8,700,350</u>

Note 6 **Line of Credit**

The Company has a \$6,000,000 line of credit with the bank. The outstanding balance was \$5,312,301 and \$5,960,439 at December 31, 2007 and 2006, respectively. The line is collateralized by the Company's receivables, inventory, and machinery and other equipment, is renewable on October 31, 2007 with an interest rate of prime.

Note 7 **Long-Term Debt**

Long-term debt consists of the following at December 31, 2007 and 2006:

	2007	2006
Mortgage note payable in monthly installments of \$39,698 including interest at 7.27%, collateralized by the Company's manufacturing plant, matures August 2025	\$ 4,725,647	\$ 4,819,260

NOTES TO FINANCIAL STATEMENTS

Note 7 Long-Term Debt (Continued)

	2007	2006
Commercial installment note payable in monthly installments of \$38,954 including interest at 7.85%, collateralized by receivables, inventory, machinery and other equipment, and is guaranteed by the Company's shareholder, matures December 2014	2,500,000	-
Commercial installment note payable in monthly installments of \$19,735 including interest at 6.86%, collateralized by receivables, inventory, machinery and other equipment, and is guaranteed by the Company's shareholder, matures August 2010	-	759,392
Promissory note payable in monthly installments of \$19,735 including interest at prime, collateralized receivables inventory, machinery and other equipment, matures August 2011	-	661,795

NOTES TO FINANCIAL STATEMENTS

Note 7 Long-Term Debt (Continued)

	2007	2006
Vehicle loan payable in monthly installments of \$982 including interest at 2.9%, collateralized by a vehicle, matures July 2008	5,935	18,252
Vehicle loan payable in monthly installments of \$1,143 including interest at 4.45%, collateralized by a vehicle, matures November 2010	27,141	38,407
Equipment loan payable in monthly installments of \$2,301 collateralized by a specific piece of equipment, matures October 2007	<u>-</u>	<u>10,115</u>
	7,258,723	6,307,221
Less current maturities of long-term debt	<u>405,168</u>	<u>395,668</u>
	<u>\$ 6,853,555</u>	<u>\$ 5,911,553</u>

Future maturities of long-term debt are as follows as of December 31, 2007: \$405,168 in 2008, \$479,816 in 2009, \$479,260 in 2010, \$517,871 in 2011, \$557,248 in 2012, and \$4,819,360 thereafter.

Interest expense was \$941,117 and \$915,112 for 2007 and 2006 respectively.

NOTES TO FINANCIAL STATEMENTS

Note 8 **Lease Commitments**

The Company leases various pieces of equipment and vehicles. Lease expense was \$265,476 and \$284,190 for 2007 and 2006, respectively. The future minimum lease payments under these lease agreements are: \$421,620 in 2008, \$367,097 in 2009, \$184,656 in 2010, and \$91,025 in 2011 and \$26,987.

Note 9 **Statements of Cash Flows**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid during 2007 and 2006 for:

	2007	2006
Taxes	\$ -	\$ -
Interest	941,117	915,112

Gayston Corporation
Balance Sheet (ncb)
December 31, 2008

ASSETS

Current Assets	
CASH	366,094.89
Accounts Receivable Trade	3,248,630.03
WORK IN PROCESS INVENTORY	9,965,207.99
PREPAID EXPENSES	384,556.16
TOTAL CURRENT ASSETS	<u>13,964,489.07</u>
NOTES RECEIVABLE-LONG TERM	44,636.80
Property and Equipment	
LAND	379,234.10
LAND IMPROVEMENTS	341,126.28
MANUFACTURING PLANT	6,941,097.70
REAL ESTATE	1,131,942.66
MACHINERY & OTHER EQUIPMENT	23,016,681.66
TOTAL PROPERTY & EQUIPMENT	31,810,082.40
LESS:ACCUM DEPRECIATION	<u>(18,852,440.49)</u>
TOTAL FIXED ASSETS	<u>12,957,641.91</u>
TOTAL ASSETS	<u>26,966,767.78</u>

LIABILITIES AND CAPITAL

Current Liabilities		
NOTES PAYABLE-SHORT TERM		6,000,000.00
CURRENT MATURITY-LTD		409,195.89
ACCOUNTS PAYABLE		2,253,819.51
ACCRUED LIABILITIES		305,175.94
TOTAL CURRENT LIABILITIES		<u>8,968,191.34</u>
Long-Term Liabilities		
NOTES PAYABLE-LONG TERM		6,490,314.15
TOTAL LIABILITIES		15,458,505.49
Capital		
Capital Stock	12,700.00	
Retained Earnings	10,881,951.20	
Net Income	613,611.09	
Total Capital		<u>11,508,262.29</u>
Total Liabilities & Capital	\$	<u>26,966,767.78</u>

Gayston Corporation
Income Statement (NCB)
For the Twelve Months Ending December 31, 2008

	Year to Date	
Revenues		
Sales - Military	\$ 14,668,281.25	65.77
Sales - Stored Gas	6,912,754.59	30.99
Sales - Recreational	722,305.68	3.24
Total Revenues	22,303,341.52	100.00
Cost of Sales		
MANUFACTURING COSTS	11,729,949.25	52.59
INDIRECT MANUFACTURING EXPENSE	7,517,882.59	33.71
TOTAL COST OF SALES	19,247,831.84	86.30
GROSS PROFIT	3,055,509.68	13.70
OTHER EXPENSES		
ADMINISTRATIVE	1,495,044.46	6.70
COMMERCE	92,231.56	0.41
TOTAL OPERATING EXPENSE	1,587,276.02	7.12
OPERATING PROFIT	1,468,233.66	6.58
OTHER INCOME:		
DISCOUNTS EARNED	0.00	0.00
INTEREST	9,060.63	0.04
MISCELLANEOUS	(900.00)	0.00
NON-TAXABLE	72.38	0.00
GAIN(LOSS) SALE OF ASSETS	(5,916.48)	(0.03)
TOTAL OTHER INCOME	2,316.53	0.01
OTHER EXPENSES:		
PROPERTY EXPENSE	81,917.22	0.37
INTEREST	775,021.88	3.47
TOTAL OTHER EXPENSES	856,939.10	3.84
TOTAL EARNINGS	613,611.09	2.75

SUMMARY OF SALIENT FACTS

Property Address 200 Pioneer Boulevard,
 Springboro, Warren County, Ohio

Property Identification 04-19-255-005-1

Legal Identification RL #1668, 19-2-5

Current Ownership Gayston Corporation

Property Type Industrial Manufacturing/Assemblage/Warehouse Building

Building Area 233,984 Sqft.

Year Built 1987/1988/1989/1994

Land Area 37.261 Acres

Utilities All Public

Zoning E.D.-Employment Center

Flood Plain Designation Zone C - Non flood area (390564 0001B, 2/4/81)

Estate Appraised Fee Simple Estate

Highest and Best Use:

Land, as if vacant Industrial

As Improved Industrial

Final Value Conclusion:

	Conclusion	\$/Sqft.
Site Valuation	\$ 1,453,179	\$ 39,000
Cost Approach	Not Applicable	N/A
Income Capitalization Approach	\$ 5,942,130	\$ 25.40
Sales Comparison Approach	\$ 5,849,600	\$ 25.00
Final Conclusion of Value	\$ 5,900,000	\$ 25.22

Effective Date of Appraisal: "As Is" Estimate December 3, 2003

Date of Report December 15, 2003

GENERAL WARRANTY DEED*

Doc # 4075

GAYSTON CORPORATION, a corporation organized and existing under the laws of the State of Ohio

for valuable consideration paid, grants, with general warranty covenants, to

THE CITY OF SPRINGBORO, OHIO

, whose tax-mailing address is

320 West Central Avenue, Springboro, Ohio 45066

the following **REAL PROPERTY**: Situated in the County of Warren in the State

of Ohio and in the City of Springboro (2)

(SEE ATTACHED EXHIBIT "A")

Cert 1667

Prior Instrument Reference: Vol. Page of the Deed Record of County, Ohio.

IN WITNESS WHEREOF, grantor has caused its corporate name to be subscribed hereto by Mark W. Stone, its president, and Linda M. Gatts, its secretary, thereunto duly authorized by resolution of its board of directors, this 23 day of Aug 1989 Signed and acknowledged in the presence of:

WITNESS

WITNESS

by

PRESIDENT
ASST. SECRETARY

State of Ohio

County of WARREN

SS.

BE IT REMEMBERED, That on this 23rd day of August, 1989, before me, the subscriber, a Notary Public in and for said state, personally came M.W. Stone, president, and LINDA M. GATTS, secretary, of the Grantor in the foregoing Deed, and acknowledged the signing thereof to be their and its voluntary act and deed, pursuant to authority of its board of directors.

IN TESTIMONY THEREOF, I have hereunto subscribed my name and affixed my seal on this day and year aforesaid.

SUSAN K. STEELE, Notary Public
In and for the State of Ohio
My Commission Expires March 1, 1991

This instrument was prepared by DALLAS P. POWERS CO., L.P.A.

1. Name of Grantor.
2. Description of land or interest therein, and encumbrances, reservations, exceptions, taxes and assessments, if any.
3. Execution in accordance with Chapter 5301 of the Revised Code of Ohio.

Auditor's and Recorder's Stamps

EXHIBIT "A"

Situated in Section 19, Town 2E, Range 5N, Franklin Township, City of Springboro, Warren County, Ohio and being more particularly described as follows:

Beginning at the northeast corner of a 38.282 acre tract conveyed to Gayston Corp. as recorded in Official Record Volume 305, Page 245 and Registered Land Certificate 1479, said point being N 87 degrees 07' 00" W a distance of 445.73 feet from the northwest corner of "Beck Heights" as recorded in Plat Book 3, Page 407; thence along the easterly line of said 38.282 acre tract, said line being the future centerline of Pioneer Boulevard (60' R/W), S 3 degrees 51' 45" W a distance of 1483.01 feet to the southeasterly corner thereof; thence along the southerly line of said tract, N 84 degrees 56' 00" W a distance of 30.01 feet; thence along a new division line in said tract and the future westerly right-of-way line of Pioneer Boulevard, N 3 degrees 51' 45" E a distance of 1481.87 feet to a point in the northerly line of said tract; thence along said northerly line, S 87 degrees 07' 00" E a distance of 30.00 feet to the Point of Beginning, containing 1.021 acres more or less and being subject to easements, restrictions and legal rights-of-way of record.

Prior Deed Reference: Official Record Volume 305, Page 245

The above description is based on a survey by RW Consultants, Inc., Engineers and Surveyors, Middletown, Ohio, David L. Cox, Ohio Professional Surveyor No. 7101 and is recorded in Volume 74, Page 19 of the Warren County Engineers Record of Land Surveys.

04-19-276-015

Spd Doc # 4075
TRANSFERRED

JAN 19 1990

SEC. 319.202 COMPARED WITH
NICK NELSON, Auditor
WARREN COUNTY, OHIO

8:13
JAN 19 10 59 AM '90

REGISTERED LAND

RECEIVED *Jan 19, 1990*
TIME *10:59 A.M.*
RECORDED *Jan 19, 1990*
O.R. VOL. *547* PAGE *52*
R.L. VOL. *511* PAGE *1669*
FEE *\$30.00*

BETH DECKARD

Warren County Recorder, Lebanon, O.

file



Doc # 3370

"REGISTERED LAND"

04-19-255-001

HCH

Know All Men by These Presents

That LOUISE BECK MONTGOMERY,* widow who has not remarried, and
JEAN MONTGOMERY ROBBINS, married
of Warren County, Ohio,
in consideration of One Dollar (\$1.00) and other valuable consideration
to them in hand paid by GAYSTON CORPORATION
whose address is 55 Janney Road, Dayton, Ohio 45404
do hereby Grant, Bargain Sell and Convey
to the said GAYSTON CORPORATION

its successors ~~XXXXXX~~

and assigns forever, the following described Real Estate,⁽¹⁾ Sec. 19, Town 2E, Range 5N
Situate in the Village of Springboro, Franklin Township, Warren County, State of Ohio,
being part of land owned by Jean Montgomery Robbins et al as registered by Certificate
of Title Numbers 1175 and 1215 and recorded in Volume 4 pages 1175 and 1215 respectively
of the Registered Land Records of Warren County, Ohio and for the part herein considered
as surveyed by Lockwood, Jones & Beals, Inc., in April, 1986, with bearings based upon
the original Registered Land Plat referenced above as follows:

Commencing for reference at an iron pin (found) at the northeast corner of the original
tract and the northwest corner of Beck Heights as recorded in Plat Book 3, Page 407 of
the Warren County Plat Records; thence with the North line of the original tract N 87°
07' 00" W 445.78 feet to an iron pin (set) in the centerline of proposed Pioneer Boulevard
and the point of beginning for this conveyance;

Thence with a new division line S 3° 51' 45" W 1483.01 feet to an iron pin (set);

Thence with a second new division line N 84° 56' 00" W 1152.06 feet to an iron pin (set)
in the west line of the original tract;

Thence with the west line of the original tract N 4° 42' 30" E 1439.64 feet to an iron pin
(set) at the northwest corner of the original tract;

Thence with the north line of the original tract S 87° 07' 00" E 1130.72 feet to the point
of beginning containing 38.282 acres subject to all legal highways and easements of record;

New Survey by Thomas L. Poliquin, Ohio Reg. Surveyor #5435, of Lockwood, Jones &
Beals, Inc., Dayton, Ohio, May, 1986. Warren Co. Survey Vol. 61 Pg. 77.

PRIOR INSTRUMENT REFERENCE: Certificate of Title No. 1476, recorded in Register
of Title No. 5, page 1476 of the Registered Land Records of Warren County, Ohio.

Cert #1479

and all the Estate, Right, Title and Interest of the said grantor s in and to said premises; To have and
to hold the same, with all the privileges and appurtenances thereunto belonging, to said grantee

its successors

~~XXXX~~ and assigns forever. And the said Louise Beck Montgomery and Jean Montgomery Robbins

do hereby Covenant and Warranty that the title so conveyed is Clear, Free and Unin-
cumbered, and that they will Defend the same against all lawful claims of all persons whomsoever.

*aka Frances Louise Montgomery and Francis Louise Montgomery

REGISTERED LAND
June 18, 1986
9.42 A.11
June 18, 1986
305 245
5 1479
30 -

Doc # 3371

"REGISTERED LAND"

EASEMENT

Pl. 04-19-276-002 (HCH)

THIS AGREEMENT made on this 17th day of June, 1986, by and between LOUISE BECK MONTGOMERY, aka Frances Louise Montgomery, aka Francis Louise Montgomery, a widow who has not remarried and JEAN MONTGOMERY ROBBINS, married, of Franklin, Ohio, the Grantors, and THE VILLAGE OF SPRINGBORO, of Springboro, Ohio and GAYSTON CORPORATION, of Dayton, Ohio, the Grantees.

WITNESSETH, Grantors for Grantors and Grantors' heirs and assigns, grant and convey unto Grantees an easement in, to, upon and over a 30' strip of land situated in the County of Warren, Franklin Township, and State of Ohio, more particularly described as follows:

Situated in Section 19, Town 2 East, Range 5 North, Franklin Township, Warren County, Ohio, in the Village of Springboro, being part of land conveyed to Jean Montgomery Robbins ET AL as registered by Certificate of Title Numbers 1175 and 1215 and recorded in Volume 4 pages 1175 and 1215 respectively of the Registered Land Records of Warren County, Ohio, with bearings based upon the South Line of the Glenn Farms, Inc., as shown in Survey Record Volume 59, Plat No. 85 and being more particularly described as follows:

Commencing for reference at an iron pin found at the northeast corner of the original tract and the northwest corner of Beck Heights as recorded in Plat Book 3, Page 407 of the Warren County Plat Records; thence along the North Line of the original tract N 84° 56' 00" W 445.81 feet to the centerline of proposed Pioneer Boulevard Extension and the True Point of Beginning; thence along said proposed centerline S 03° 51' 45" W 1500.00 feet to a point; thence along a line S 84° 56' 00" E 30.00 feet to the easterly right-of-way of Proposed Pioneer Boulevard Extension; thence along said proposed easterly right-of-way line N. 3° 51' 45" E 1500.00 feet to a point on the south line of the said Glenn Farms, Inc.; thence along said southerly line N 84° 56' 00" W 30.00 feet to the Point of Beginning. Containing 1.033 acres. Said 1.033 acre tract being subject to any and all easements, restrictions, and rights-of-way of record.

Cert # 1476

SAID EASEMENT is given for the sole purpose of the construction of the extension of Pioneer Boulevard as a public way, including drainage and utilities.

Grantors, Grantors' heirs or assigns, covenant with the Grantees to transfer title of the land as described in the easement, to the Village of Springboro for the dedication of the land as a public right-of-way. This easement shall expire upon such dedication.

TO HAVE AND TO HOLD the said right-of-way easement unto Grantees.

Charles E. Robbins, Husband of Jean Montgomery Robbins, does hereby release all his rights and expectancy of dower in said premises.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement on the date first above mentioned.

Signed and acknowledged
in the presence of:

Sheryl J. Roberts
Sheryl J. Roberts

Louise Beck Montgomery
Louise Beck Montgomery
aka Frances Louise Montgomery
aka Francis Louise Montgomery

Howard N. Thiele, Sr.
Howard N. Thiele, Sr.

Jean Montgomery Robbins
Jean Montgomery Robbins

Charles E. Robbins
Charles E. Robbins

STATE OF OHIO, COUNTY OF Montgomery SS:

BE IT REMEMBERED, that on this 17th day of June, 1986, before me, the subscriber, a notary public in and for said state, personally came Louise Beck Montgomery a.k.a. Frances Louise Montgomery aka Francis Louise Montgomery, a widow who has not remarried, Jean Montgomery Robbins, married, and Charles E. Robbins, Husband of Jean Montgomery Robbins, the grantors in the foregoing easement, and acknowledged the signing thereof to be their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last aforesaid.

[Signature]
Notary Public

THIS INSTRUMENT PREPARED BY
Thomas B. Kirby
Attorney at Law
Springboro, Ohio

SPRINGBORO BUSINESS PARK
SECTION THREE

GLENN FARMS, INC.
D.B. 405, PG. 592
S.R. 59-85

N 84° 56' 00" W
445.81'

IRON PIN FOUND

30.00'

1.033 Ac.

1500.00'

1500.00'

Q. OF PROP.
PIONEER BLVD.

BECK HEIGHTS
PE 3, PG 457

JEAN MONTGOMERY
VOL. 4 PAGES 1175 AND 1215
REG. LAND RECORDS OF
WARREN COUNTY

ROBBINS

S 3° 51' 45" W

N 3° 51' 45" E



S 84° 56' 00" E
30.00'

OR 305 PAGE 249

Doc # 3371

Chicago Title Insurance Company

16 South Ludlow Street

Dayton, Ohio 45402

JUN 18 9 43 AM '86

TRANSFER NOT NECESSARY

[Signature]
DIRECTOR, WARREN COUNTY, OHIO

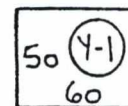
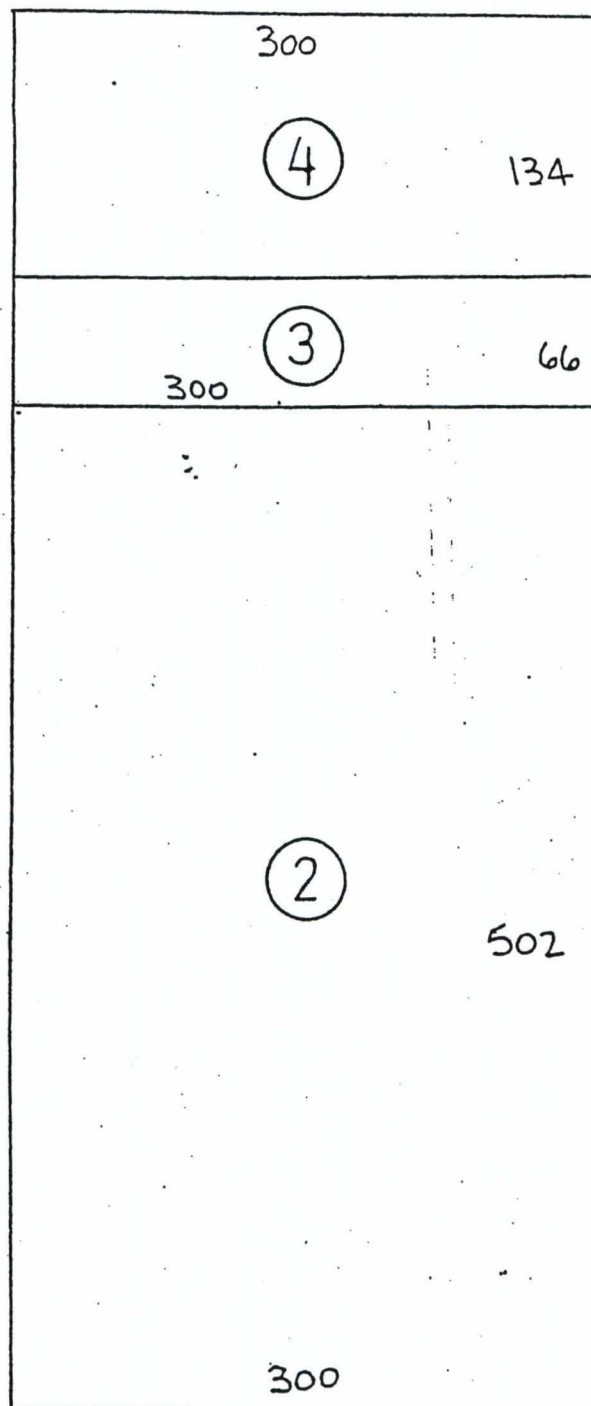
REGISTERED LAND

VED June 18, 1986
9:43 A.M.
D.D. June 18, 1986
OL 305 247
OL 5 1476
19

DETH DEWARD

n County Recorder, Lebanon, O.

, Chicago Title

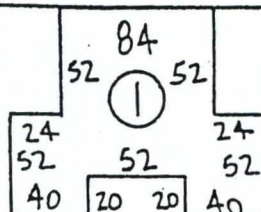


200 Pioneer Blvd

GAYSTON CORP

SPRINGBORO CORP.

WARREN COUNTY, OHIO



STATE OF OHIO, WARREN COUNTY

COMMON PLEAS COURT

IN RE:

Gayston Corp.,
Owner of Registered Land

Doc #4074

CASE NO: *48230*

DECREE APPROVING PLAT
AND LEGAL DESCRIPTIONS
TO A DIVISION OF
REGISTERED LAND

This day this cause came on for hearing on the pleadings, papers, reports and exhibits filed therein, and the evidence was submitted to the Court.

It is made to appear to this Court that the new survey and plat of the division of the registered land described in Applicant's Certificate of Title No. 1479, is correct, that such plat accurately delineates all boundaries, highways, streets and passageways, and that the new legal descriptions as shown in Applicant's Application and marked Exhibits "A" through "C", are correct, the said plat and descriptions are hereby approved by the Court.

It is therefore ORDERED and DECREED that a copy of this Judgment approving said plat marked Exhibit "A", together with copies of the within descriptions be directed to the Warren County, Ohio, Recorder, and she is hereby authorized and directed to record said plat in the "Surveys to Registered land" docket; and, upon surrender of old Certificate of Title No. 1479, to make new Certificate of Title to Gayston Corp., and which incorporates said tracts of land by the new descriptions marked Exhibits "B" and "C", to reflect the division of land approved by the Court, upon payment of the proper fees therefor.

It is further ORDERED that all liens and other applicable memorials shown on old Certificate of Title No. 1479 be carried forward to the new certificate to be issued.

Certificate #1668

ENTER: /s/ P DANIEL FEDDERS
Judge

HAVE SEEN:

John S. Zopff
Attorney for Applicants

TITLE EXAMINER:

John S. Zopff
Attorney at Law

ZOPFF & RITTGERS

Attorneys at Law

P.O. Box 4
423 Reading Road
Mason, Ohio 45040
Phone 398-4891

EXHIBIT "B"

Situated in Section 19, Town 2E, Range 5N, Franklin Township, City of Springboro, Warren County, Ohio and being more particularly described as follows:

Beginning at the northeast corner of a 38.282 acre tract conveyed to Gayston Corp. as recorded in Official Record Volume 305, Page 245 and Registered Land Certificate 1479, said point being N 87 degrees 07' 00" W a distance of 445.78 feet from the northwest corner of "Beck Heights" as recorded in Plat Book 3, Page 407; thence along the easterly line of said 38.282 acre tract, said line being the future centerline of Pioneer Boulevard (60' R/W), S 3 degrees 51' 45" W a distance of 1483.01 feet to the southeasterly corner thereof; thence along the southerly line of said tract, N 84 degrees 56' 00" W a distance of 30.01 feet; thence along a new division line in said tract and the future westerly right-of-way line of Pioneer Boulevard, N 3 degrees 51' 45" E a distance of 1481.87 feet to a point in the northerly line of said tract; thence along said northerly line, S 87 degrees 07' 00" E a distance of 30.00 feet to the Point of Beginning, containing 1.021 acres more or less and being subject to easements, restrictions and legal rights-of-way of record.

Prior Deed Reference: Official Record Volume 305, Page 245

The above description is based on a survey by RW Consultants, Inc., Engineers and Surveyors, Middletown, Ohio, David L. Cox, Ohio Professional Surveyor No. 7101 and is recorded in Volume 74, Page 19 of the Warren County Engineers Record of Land Surveys.

Old# 04-19-255-001 38.282

New# 04-19-276-015 1.021

New# 04-19-255-005 37.261

No Rem

APPROVED
WARREN COUNTY
MAP DEPT.
DATE 1-18-90
By HCH

EXHIBIT "C"

RWConsultants
Engineers and Surveyors

1227 Central Avenue
Middletown Ohio 45044
513.425.9366

June 20, 1989

LEGAL DESCRIPTION
37.261 ACRES
REGISTERED LAND

Situated in Section 19, Town 2E, Range 5N, Franklin Township, City of Springboro, Warren County, Ohio and being more particularly described as follows:

Commencing at the northeast corner of a 38.282 acre tract conveyed to Gayston Corp. as recorded in Official Record Volume 305, Page 245 and Registered Land Certificate 1479, said point being N 87° 07' 00" W a distance of 445.78 feet from the northwest corner of "Beck Heights" as recorded in Plat Book 3, Page 407; thence along the north line of said 38.282 acre tract, N 87° 07' 00" W a distance of 30.00 feet to the True Point of Beginning; thence along a new division line in said tract and the future westerly right-of-way line of Pioneer Boulevard, S 3° 51' 45" W a distance of 1481.87 feet; thence along the south line of said 38.282 acre tract, N 84° 56' 00" W a distance of 1122.05 feet to the southwest corner thereof; thence along the west line of said tract, N 4° 42' 30" E a distance of 1439.64 feet to the northwest corner thereof; thence S 87° 07' 00" E a distance of 1100.72 feet to the Point of Beginning, containing 37.261 acres more or less and being subject to easements, restrictions and legal rights-of-way of record.

Prior Deed Reference: Official Record Volume 305, Page 245

The above description is based on a survey by RW Consultants, Inc., Engineers and Surveyors, Middletown, Ohio, David L. Cox, Ohio Professional Surveyor No. 7101 and is recorded in Volume 74, Page 19 of the Warren County Engineers Record of Land Surveys.

STATE OF OHIO, WARREN COUNTY

COMMON PLEAS COURT

IN RE:) CASE NO. 48230
)
Gayston Corp.,) APPLICATION FOR APPROVAL
Owner of Registered Land) OF DIVISION OF REGISTERED
) LAND

Now comes Gayston Corp. and states that it owns a certain tract of land containing 38.282 acres, which acreage is fully described in its Certificate of Title No. 1479, recorded in Register of Title No. 5, Page 1479, of the Registered Land Records of Warren County, Ohio; that it has caused said land to be re-surveyed, and divided into two parts, one tract containing approximately 1.021 acres and one tract containing approximately 37.261 acres. A new plat of the land showing the division and the new legal descriptions thereof are marked Exhibits "A", "B", and "C", attached hereto and made a part hereof.

Applicant further states that to the best of its knowledge the aforesaid plat distinctly delineates all boundaries, highways, streets and passageways, if any, and that the new legal descriptions accurately depict the survey and plat thereof, which shall be presented to this Court at the time of the hearing of this cause.

WHEREFORE, Applicant respectfully prays for an order of this Court approving the plat of said tracts and said legal descriptions and that a copy of the Judgment approving same be certified over to the Warren County, Ohio, Recorder, which shall authorize the recording of said plat in the "Surveys to Registered Lands" docket and permit the issuance to said Applicant of a new certificate of title which: (1) describes the newly divided 1.021 acre tract; and (2) describes the newly divided 37.261 acre tract, upon surrender of its present certificates of title.

John S. Zopff
P. O. Box 4
Mason, Ohio 45040
(513)398-4891
Attorney for Applicants

ZOPFF & RITTGERS
Attorneys at Law
P.O. Box 4
423 Reading Road
Mason, Ohio 45040
Phone 398-4891

RECEIVED COPY
J. HARRISON, CLERK
WARREN COUNTY, OHIO
COMMON PLEAS COURT
[Signature]

Parcel Split Approved *WRC*

City of Springboro

547 PAGE 40

STATE OF OHIO, WARREN COUNTY

COMMON PLEAS COURT

IN RE:)	CASE NO.
)	
Gayston Corp.,)	REPORT OF REGISTERED
Owner of Registered Land)	LAND EXAMINER

Now comes the undersigned as one of the Official Registered Land Examiners for Warren County, Ohio, being the one to whom this Court referred this cause, and reports to the Court as follows:

The Ohio statutes regarding registered lands demand that all certificates of title shall contain an accurate plat and description of the lands covered thereby (ORC 5309.26).

The within action particularly involves ORC 5309.26, which, in part, recites:

"If a new or different plat and description is to be given in any new certificate so issued, such plat and description must be definite and certain and in conformity with the previously registered plat and descriptions . . ."

Your examiner submits to this Court that the above statute should be liberally construed so as to permit any registered land to be surveyed anew when the occasion arises using whatever modern techniques and surveying instruments as are available to the engineering craft. The section should not be construed as to make any surveyor a copyist and one who makes up a new plat and description without the necessity of leaving his office.

Your examiner finds that the allegations contained in the Application are true, and that the new plat and the descriptions referred to in the Application are definite and certain and sufficiently comply with applicable provisions of the registered land law, and in particular with ORC 5309.27.

The said surveys and plat were particularly examined by the undersigned and the variances noted and discussed with the Map Department of the Auditor's Office, and with the surveyor of the premises involved at considerable length, and it is believed said plat and descriptions may be properly approved by this Court.

Judgment, accordingly, should be obtained and certified over to the Recorder, Warren County, Ohio, authorizing the recording of the plat in "Surveys to Registered Lands" (ORC 5309.32). It should also authorize the issuance of a new certificate of title

ZOPFF & RITTGERS

Attorneys at Law

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Mason, Ohio 45040
Phone 398-4891

referred to in the Application upon surrender of Owner's old certificates.

All live Memorials shown on Owner's Certificate of Title Number 1479 should be carried forward.

John S. Zopff
Examiner of Registered
Land Titles, Warren County,
Ohio

ZOPFF & RITTGERS

Attorneys at Law
P.O. Box 4
423 Reading Road
Mason, Ohio 45040
Phone 398-4891

STATE OF OHIO, WARREN COUNTY

COMMON PLEAS COURT

IN RE:)	CASE NO.
)	
Gayston Corp.,)	ORDER OF FINAL REFERENCE
Owner of Registered Land)	TO EXAMINER OF REGISTERED
)	LAND TITLES

It being made to appear to this Court that the subject matter of the within case is registered land, the same is hereby referred to John S. Zopff, Attorney at Law, one of the official registered land examiners of Warren County, Ohio, for all matters concerning the accuracy of the plat set forth in the application and the legal descriptions mention therein, and for all other matters as may be involved in the issuance of a new certificate of title regarding said land and the division thereof, and thereafter to make his report to this Court.

ENTER: _____
Judge

HAVE SEEN:

John S. Zopff
Attorney for Applicants

24264

GENERAL WARRANTY DEED

167-1-61
DAYTON

FRANK HILL SMITH, INC., an Ohio corporation, with its principal place of business in Montgomery County, Ohio, for valuable consideration paid, grants, with general warranty covenants, to GAYSTON CORPORATION, whose tax mailing address is 55 Janney Road, Dayton, Ohio, 45404, the following real property:

DEC 27-72 021778# ***156.00

Located in the City of Dayton, County of Montgomery, State of Ohio and being parts of Lots 74110 and 74111 of the revised and consecutive numbers of lots on the plat of said City of Dayton, Ohio and being a tract of land described as follows: beginning at a point in the northeast line of said Lot 74110 said point of beginning being located North fifty-four degrees fifty-three minutes (54° 53') West and five hundred fifty-five and 40/100 (555.40) feet from the northwest line of Kuntz Road (sixty feet wide) as recorded in Book 64, Page 10 in the Plat Records of Montgomery County, Ohio; thence South thirty-five degrees twenty-nine minutes (35° 29') West for three hundred seventy-six and 71/100 (376.71) feet to a point in the northeast line of Janney Road as recorded in said Book 64, Page 10 in the Plat Records of Montgomery County, Ohio; thence, with the northeast line of said Janney Road, North fifty-four degrees thirty-one minutes (54° 31') West for one hundred forty-four and 72/100 (144.72) feet; thence leaving said northeast line North thirty-five degrees twenty-nine minutes (35° 29') East for three hundred seventy-five and 78/100 (375.78) feet to a point in the northeast line of said lot 74110; thence with said northeast line South fifty-four degrees fifty-three minutes (54° 53') East for one hundred forty-four and 72/100 (144.72) feet to the point of beginning, containing one and 2500/10000 (1.2500) acres, more or less, subject, however, to all legal highways, existing conditions, easements and restrictions, and building and zoning ordinances, and subject further to all liens and encumbrances resulting from acts of the Grantee during the period Grantee has occupied the premises as contract purchaser pursuant to contract with the Grantor dated May 25, 1972; EXCEPTING taxes and assessments due and payable in December, 1972 and thereafter, which Grantee assumes and agrees to pay.

PRIOR INSTRUMENT REFERENCE: VOLUME 2290
PAGE 576 of the Deed Records of
Montgomery County, Ohio

WITNESS our hands this 15th day of December, 1972

WITNESSES:

FRANK HILL SMITH, INC.

Mary Conelli

By *Jervis S. Janney, Jr.*
Jervis S. Janney, Jr.
President

Joyce Hestman

By *R. B. Womsley*
R. B. Womsley
Assistant Secretary

STATE OF OHIO, COUNTY OF MONTGOMERY, SS:

BE IT REMEMBERED, That on this 15th day of December, 1972, before me, a Notary Public in and for said county,

- 72676D09 -

APPROVED BY
COUNTY ENGINEER
DAY DEPT
12/27/72


DEC 27 '72

TRANSFERRED
AL. OSWALD
COUNTY AUDITOR

81591

personally came JERVIS S. JANNEY, JR. and R. B. WOMSLEY, to me known and known to me to be the President and Assistant Secretary, respectively, of FRANK HILL SMITH, INC., the corporation on whose behalf the afore-named persons executed such deed as Grantor, and acknowledged the signing thereof to be their voluntary act and deed, individually and as such officers.

IN TESTIMONY THEREOF, I hereunto have subscribed my name and affixed my seal on this day and year aforesaid.


NOTARY PUBLIC
MARY CORRELLO, Notary Public
In and for Montgomery County, Ohio
My Commission Expires April 24, 1977

JCE D. PEGG
RECORDER

DEC 27 3 01 PM '72

MONTGOMERY CO., OHIO
RECORDED

FILE 3

This instrument prepared by R.B. Womsley, Attorney-at-Law,
600 IBM Building, 33 West First Street, Dayton, Ohio, 45402.

- 72676D10 -